

Manubhai & Shah LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To

The Members of

Sadbhav Bhimasar Bhuj Highway Private Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Sadbhav Bhimasar Bhuj Highway 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.

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

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.

Manubhai & Shah LLP, a Limited Liability Partnership with LLP identity No.AAG-0878

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

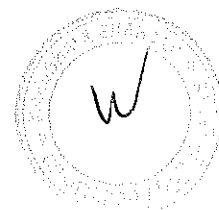
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments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

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

Auditor's Responsibility

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

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



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

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

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

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



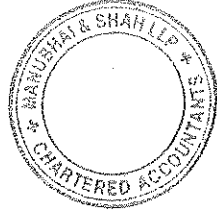
Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure – A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that the company has not paid managerial remuneration.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure – B" a statement on matters specified in paragraphs 3 and 4 of the order.



Place: Ahmedabad
Date: May 18, 2019

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

K.C. Patel

(K.C.Patel)
Partner
Membership No. 030083

ANNEXURE - A

TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report the members of **Sadbhav Bhimasar Bhuj Highway 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 **Sadbhav Bhimasar Bhuj Highway 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

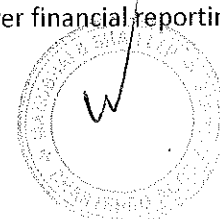
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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.

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.



Manubhai & Shah LLP
Chartered Accountants

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.

Opinion

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

Place: Ahmedabad
Date: May 18, 2019



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

A handwritten signature in black ink, appearing to read "K.C. Patel".

(K.C. Patel)
Partner
Membership No. 030083

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 Sadbhav Bhimasar Bhuj Highway Private Limited of even date)

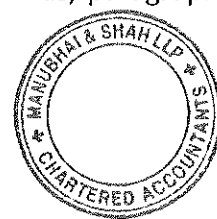
Report on the Companies (Auditor' Report) Order, 2016, issued in terms of section 143 (11) of the Companies Act, 2013('the Act') of Sadbhav Bhimasar Bhuj Highway Private Limited ('the Company')

- (i) The Company had no fixed assets during and at the year end. Therefore, the reporting requirements of paragraph 3(i) of the Order are not applicable.
- (ii) The Company had no inventory during and at the year end. Therefore, the reporting requirements of paragraph 3(ii) of the Order are 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) The Company has not made and maintained the cost records in respect of construction activity as prescribed by the Central Government under section 148(1) of the Act as the construction activity is not started by the company.
- (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, goods and service tax, custom duty, cess 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, goods and service tax, cess 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.

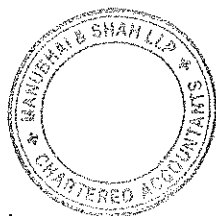
(b) According to the information and explanations given to us, there are no dues of income tax , wealth tax, duty of excise, duty of customs, sales tax or service tax or value added tax or goods and services tax or cess which have not been deposited with the appropriate authorities on account of any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

- (viii) Based on our audit procedure and the information and explanations given by the management, we are of the opinion that Company has neither taken any loan from financial institution / banks/government nor issued debentures. Thus, paragraph 3(viii) of the Order is not applicable to the Company.



Manubhai & Shah LLP
Chartered Accountants

- (ix) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given by the management, the company did not raise monies by term loans. Therefore, the reporting requirements of paragraph 3 (ix) of the Order are not applicable.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the Management, we report that no material fraud by the company or on company by its officers or employees has been noticed or reported during the year.
- (xi) No managerial remuneration has been paid or provided by the Company during the year. Accordingly the reporting requirement of paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion the Company is not a Nidhi Company. Therefore the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanation given to us and on the basis of our examination of the records of the Company, all the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and also the details disclosed in note no. 14 to 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 reporting requirement of paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly reporting requirement of paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information given and as explained to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



Place: Ahmedabad
Date: May 18, 2019

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

K.C. Patel

(K.C. Patel)
Partner
Membership No. 030083


**SADBHAV BHIMASAR BHUJ HIGHWAY
PRIVATE LIMITED**

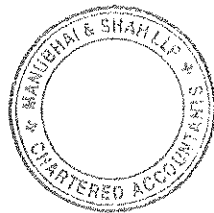
**IND AS FINANCIAL STATEMENT
FOR THE YEAR ENDED MARCH 31, 2019**

Sadbhav Bhimasar Bhuj Highway Private Limited Balance Sheet as at March 31, 2019		
Particulars	Note No.	As at March 31, 2019 (INR in Million)
ASSETS		
1. Non-current Assets		
(a) Financial Assets		
(i) Other Financial Assets	5	49.06
		49.06
2. Current Assets		
(a) Financial Assets		
(i) Cash and Cash Equivalents	6	0.05
(b) Other Current Assets	7	9.30
		9.35
Total Assets		58.41
EQUITY AND LIABILITIES		
1. EQUITY		
(a) Equity Share Capital	8	0.50
(b) Other Equity	9	52.65
Total Equity		53.15
2. Liabilities		
Current Liabilities		
(a) Financial Liabilities		
(i) Trade Payables		
-Dues to Micro & Small Enterprises		
-Dues to Other than Micro & Small Enterprises	10	2.69
(b) Other Current Liabilities	11	2.57
		5.26
Total Equity and Liabilities		58.41
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
ICAI Firm Registration No. 106041W/W100136


(K. C. Patel)
Partner
Membership No.30083



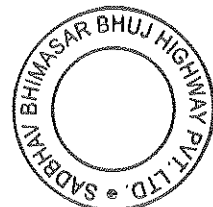
For & On behalf of the Board of Directors of
Sadbhav Bhimasar Bhuj Highway Private Limited


(Darshan Bhatt)
Director
DIN: 07814974


(Girish Patel)
Director
DIN: 01139366

Date: May 17, 2019
Place: Ahmedabad

Date: May 17, 2019
Place: Ahmedabad



Sadbhav Bhimasar Bhuj Highway Private Limited
Statement of Profit and Loss for the year ended March 31, 2019
(Period from April 13, 2018 to March 31, 2019)

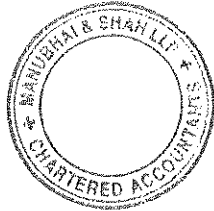
Particulars	Note No.	For the period from April 13, 2018 to March 31, 2019 (INR in Million)
I EXPENSES		
Other Expenses	12	2.67
Total Expenses		2.67
II Loss before tax (I)		(2.67)
III Total Comprehensive Income for the year		(2.67)
Earning Per Share (Nominal Value of share INR 10/-)		
Basic & Diluted	13	(60.97)
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
ICAI Firm Registration No. 106041W/W100136

K. C. Patel

(K. C. Patel)
Partner
Membership No.30083



For & On behalf of the Board of Directors of
Sadbhav Bhimasar Bhuj Highway Private Limited

Darshan Bhatt

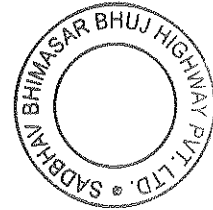
(Darshan Bhatt)
Director
DIN: 07814974

Girish Patel

(Girish Patel)
Director
DIN: 01139366

Date: May 17, 2019
Place: Ahmedabad

Date: May 17, 2019
Place: Ahmedabad



Sadbhav Bhimasar Bhuj Highway Private Limited
Statement of Changes in Equity for the year ended March 31, 2019
(Period from April 13, 2018 to 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)
Issued during the year	50,000	0.50
At March 31, 2019	50,000	0.50

B Other Equity

Particulars	Retained Earnings	Equity Component of Compound Financial Instrument (Sub- ordinate debt)*	Total Other Equity
	(INR in Million)	(INR in Million)	(INR in Million)
Sub-debt received during the year	-	55.32	55.32
Loss for the year	(2.67)	-	(2.67)
At March 31, 2019	(2.67)	55.32	52.65

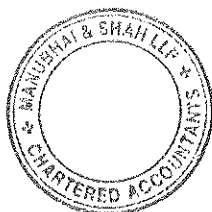
* The Project of the Company has been funded through sub ordinate debt of INR 55.32 million from the Sponsors in accordance with Sponsor Support and Equity Contribution Agreement / Sponsor Undertaking. As per Common Loan Agreement, such sub ordinate debts is considered as sponsor's contribution to ensure Promotor's commitment for the project as per Common Loan Agreement. 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.

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

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



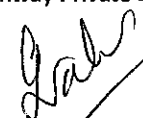
(K. C. Patel)
Partner
Membership No.30083



For & On behalf of the Board of Directors of
Sadbhav Bhimasar Bhuj Highway Private Limited



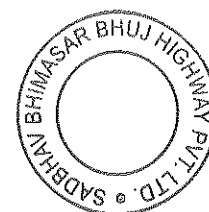
(Darshan Bhatt)
Director
DIN: 07814974



(Girish Patel)
Director
DIN: 01139366

Date: May 17, 2019
Place: Ahmedabad

Date: May 17, 2019
Place: Ahmedabad



Sadbhav Bhimasar Bhuj Highway Private Limited
Cash Flow Statement for the year ended March 31, 2019
(Period from April 13, 2018 to March 31, 2019)

Particulars	For the period from April 13, 2018 to March 31, 2019 (INR in Million)
(A) Cash Flows from operating activities	
Loss before tax	(2.67)
Cash generated before Effect of Working capital	(2.67)
Adjustments for:	
(Increase)/Decrease in current asset	(9.30)
(Decrease)/Increase in trade payables	2.69
(Decrease)/Increase in current liability	2.57
Cash (used in) operating activities	(6.71)
(B) Cash Flows from investing activities	(B)
	-
(C) Cash Flows from financing activities	
Processing Fees Paid	(49.06)
Proceeds from Equity Share Capital	0.50
Proceeds from Sub-ordinate debt	55.32
Cash Flows from financing activities	(C)
	6.76
Net increase in cash and cash equivalents	(A+B+C)
	0.05
Cash and cash equivalents at beginning of the year	-
Cash and cash equivalents at end of the year	0.05

Notes:

(i) Components of cash and cash equivalents (Refer Note 6)

Particulars	March 31, 2019 INR in million
Cash in hand	0.01
Balances with banks in current accounts	0.04
Cash and cash equivalents	0.05

Balances with banks include balance of INR 0.04 million lying in the Escrow Accounts, as per the terms of borrowings with the lenders.

(ii) The cash flow statement has been prepared under indirect method as per Indian Accounting Standard (Ind AS) -7 "Statement of Cash Flows".

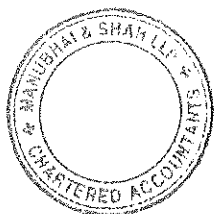
(iii) Figures in brackets represent outflows.

As per our report of even date

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

K. C. Patel

(K. C. Patel)
Partner
Membership No.30083



Date: May 17, 2019
Place: Ahmedabad

For & On behalf of the Board of Directors of
Sadbhav Bhimasar Bhuj Highway Private Limited

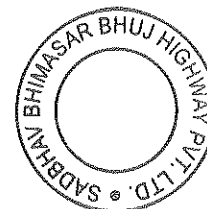
Darshan Bhatt

(Darshan Bhatt)
Director
DIN: 07814974

Girish Patel

(Girish Patel)
Director
DIN: 01139366

Date: May 17, 2019
Place: Ahmedabad



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial statement for the year ended March 31, 2019

1. Company information:

Sadbhav Bhimasar Bhuj Highway Private Limited ("the Company") is a private company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. It is wholly owned subsidiary of Sadbhav Infrastructure Project Limited.

The Company was incorporated as a Special Purpose Vehicle (SPV) in April 2018, for the purpose of development, maintenance and management of NH-341 including the section from Bhimasar Junction of NH-41 to Anjar-Bhuj upto Airport Junction from Km 0.000 to Km 65.478 of NH-341 (approximate 59.538 Km) in the state of Gujarat by Four-Laning thereof on Design, Build, Operate and Transfer ("DBOT Annuity" or "Hybrid Annuity") basis. As per the CA, NHAI grants to the Company exclusive right, license and authority to construct, operate and maintain the project during the Construction period of 910 days and Operation period of 15 years commencing from COD.

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

2. Basis of preparation and presentation of financial statement:

(a) Compliance with IND AS:

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

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

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

(b) Basis of Presentation:

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

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

(c) Basis of Measurement:

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



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial statement for the year ended March 31, 2019

(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 recognized 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, 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:

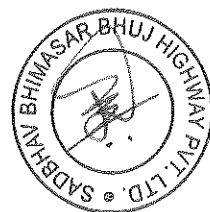
- It is expected to be settled in the normal operating cycle;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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 recognized 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.

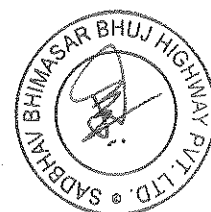
3.3 Revenue Recognition

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. Revenue is measured based on the transaction price, which is the consideration, adjusted for, performance bonuses, escalation claims, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from construction services along with utility shifting incidental to construction of road are recognized on output basis measured by survey of work performed till date.

Value of survey of work performed is determined based on the proportion of actual cost incurred to the total estimated cost of the project. Value of survey of work performed is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which is recognized in the Statement of Profit and Loss in the period in which the change is made and in subsequent periods.



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial statement for the year ended March 31, 2019

Use of significant judgments in revenue recognition:

The company contracts with customers could include promises to transfer services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

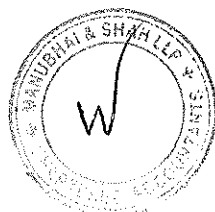
Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as performance bonuses, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The company uses judgement to determine an appropriate standalone selling price for a performance obligation. The company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

The company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

a. Gain or Loss on redemption 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.



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial statement for the year ended March 31, 2019

b. Dividend

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

c. Interest

Interest income is recognized 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.

3.4 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 consists 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.

3.5 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 recognized as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

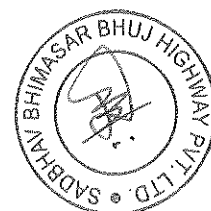
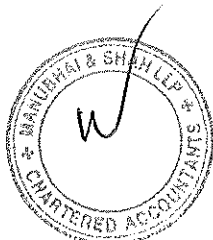
3.6 Financial Instruments

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)



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial statement for the year ended March 31, 2019

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:**

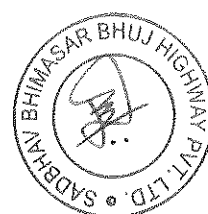
A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash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

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

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

iii. De-recognition of financial assets

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



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

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

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

iv. Impairment of financial assets

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

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

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

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

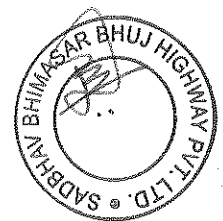
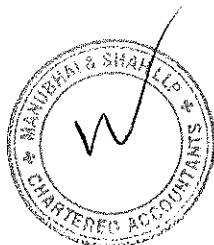
ii. Subsequent measurement of financial liabilities

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

• Financial liabilities at fair value through profit or loss

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the



Sadbhav Bhimasar Bhuj Highway Private Limited
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Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized 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 amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized 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 amortization 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 derecognized 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 DE recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

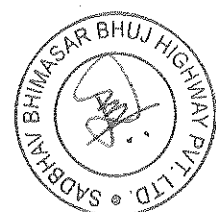
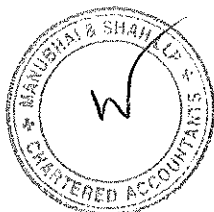
3.7 Fair Value Measurement

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

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

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

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



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

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

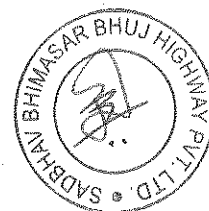
For assets and liabilities that are recognized in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as 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

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.



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

This note summarizes 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)

3.8 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 recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current income tax is recognized 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.

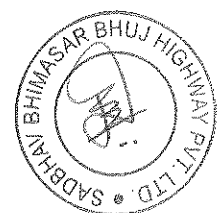
Deferred Tax

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

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized excepts when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



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

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.

3.9 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 recognized as a finance cost.

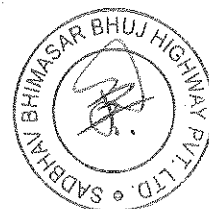
Contractual obligation to restore the infrastructure to a specified level of serviceability

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 recognized 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.

3.10 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 recognized as and when the same is approved by the respective authorities with whom the claim is lodged.



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial statement for the year ended March 31, 2019

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

3.11 Earnings per share

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

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

3.12 Segment reporting

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

4. Significant accounting judgements, estimates and assumptions

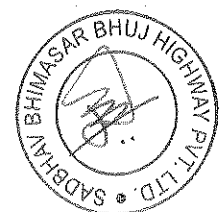
The preparation of the Company's financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosure, and the disclosure of contingent liabilities. Uncertainty about these assumptions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

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.

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.



Sadbhav Bhimasar Bhuj Highway Private Limited
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Taxes

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

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.

4.1 Standards issued but not yet effective:

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.

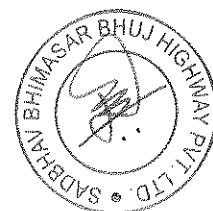
Ind AS 19 "Employee Benefits" (Plan Amendment, Curtailment or Settlement)

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.

Ind AS 23 "Borrowing Costs"

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

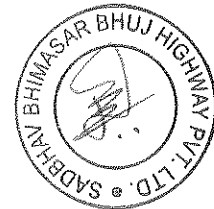


Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial Statements for the year ended March 31, 2019

5 Other Financial Assets	March 31, 2019
	INR in Million
Unamortised Processing Fees	49.06
	49.06
6 Cash and Cash Equivalents	March 31, 2019
	INR in Million
Balances with Banks	
In Current Accounts	0.04
Cash in hand	0.01
Total	0.05

Note : Balances with banks include balance of INR 0.04 million lying in the Escrow Accounts, as per terms of borrowings with the lenders.

7 Current Assets	March 31, 2019
	INR in Million
GST Input Credit Receivable	9.30
Total	9.30



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial Statements for the year ended March 31, 2019

8 Equity Share Capital

Particulars	March 31, 2019	
	No. of shares	INR in Million
Authorized Share Capital Equity Shares of INR 10 each	50 000	0.50
Total	50 000	0.50
Issued, Subscribed and fully paid up Equity Shares of INR 10 each	50 000	0.50
Total	50 000	0.50

(a) Reconciliation of shares outstanding at the beginning and end of the year:

Particulars	March 31, 2019	
	No. of shares	INR in Million
Issued during the year	50 000	0.50
Outstanding at the end of the year	50 000	0.50

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

The Company has only one class of shares referred to as equity shares having a par value of INR 10/-. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive the residual assets of the Company, after distribution of all preferential amounts. However, currently no such preferential amount exists. The amount to be distributed will be in proportion to the number of equity shares held by the shareholders.

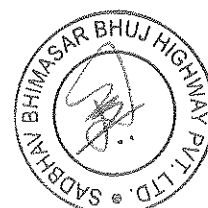
(c) Share held by holding Company:

All 50,000 shares issued, subscribed and paid up equity capital are held by Sadbhav Infrastructure Project Limited- holding company and its nominees.

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

Name of Shareholder	March 31, 2019	
	No. of shares	% of shareholding
Equity Shares of INR 10 each fully paid Sadbhav Infrastructure Project Ltd and its Nominees	50 000	100
Total	50 000	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.



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial Statements for the year ended March 31, 2019

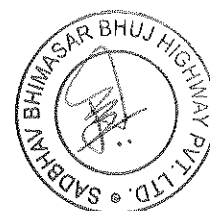
	March 31, 2019 INR in Million
9 Other Equity	
Equity Component of Compound Financial Instrument (Sub-ordinate debt)	55.32
Retained Earnings	
Net loss after tax transferred from Statement of Profit and Loss	(2.67)
(Deficit)/Surplus at the end of the year	(2.67)
Total	52.65

Note

- 1 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 is considered as sponsor's contribution to ensure Promotor's 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.

	March 31, 2019 INR in Million
10 Trade Payables	
Trade Payables (Refer Note 14 & 16)	
-Dues to Micro & small enterprises	-
-Dues to other	1.72
-Dues to related parties (Refer Note 14)	0.97
Total	2.69

	March 31, 2019 INR in Million
11 Other Current Liability	
Statutory Dues	2.57
Total	2.57



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial Statements for the year ended March 31, 2019

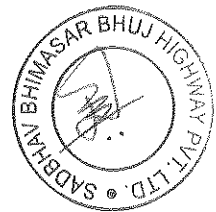
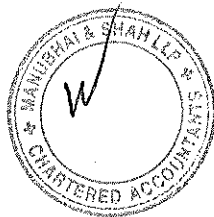
12 Other Expenses

	March 31, 2019
	INR in Million
Auditor's Remuneration - Statutory Audit	0.02
Roc Fees+filing expenses *	0.00
Professional & Legal Fees	1.71
Stamp fees*	0.00
Office Rent	0.90
Miscellaneous Expenses*	0.00
Printing & Stationery Expenses	0.04
Total	2.67

12.1 Auditor Remuneration :

	March 31, 2019
	INR In Million
For Statutory Audit Fees	0.02
Total	0.02

*Amount of INR 3735 for Filing Expenses, INR 4120 for Stamp Fees & INR 1590 for Miscellaneous Expense is below rounding off norm adopted by company.



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial Statements for the year ended March 31, 2019

13 Earning Per Share (EPS):

Earning per share is calculated by dividing the Net Profit attributable to the Equity Shareholders by the Weighted Average Number of Equity Shares outstanding during the year, as under :

Particulars	March 31, 2019
Net loss as per Statement of Profit & Loss (INR in Million)	(2.67)
Total no. of equity shares at the end of the year	50,000
Weighted average of number of equity shares outstanding during the year	43,836
Nominal value of equity shares	10
Basic & Diluted Earning per share	(60.97)

14 Related Party Disclosures:

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

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

Sr. No	Description of Relationship	Name of the Related Party
(A)	Enterprises having control:	
	Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
	Holding Company	Sadbhav Infrastructure Project Limited (SIPL)

(II) Transactions with Related Parties during the year:

			(INR in Million)
No.	Particulars	Notes	March 31, 2019
(i)	Equity share capital issued -SIPL & its nominees	8	0.50
(ii)	Reimbursement of Expenses -SIPL	10	0.01
(iii)	Subordinate Debt Received -SIPL	9	55.32
(iv)	Office Rent -SEL	12	0.90

(III) Balance outstanding as at the year end:

			(INR in Million)
No.	Particulars	Notes	March 31, 2019
(i)	Equity Share Capital -SIPL	8	0.50
(ii)	Subordinate Debt -SIPL	9	55.32
(iii)	Payable towards Office Rent -SEL	10	0.97
(iv)	Payable towards Reimbursement of Expenses* -SIPL	10	0.00

*Amount of INR 1590 is below the rounding off norm adopted by the company

(IV) Terms and conditions of the balance outstanding:

- 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 and settlement occurs in cash as per the terms of the agreement.
- The Company has not provided any commitment to the related party as at March 31, 2019.

15 Operating Lease:

Office premise of the Company have been taken on operating lease basis. The lease rent paid during the year Rs. 0.90 million. These operating lease agreement are cancellable by giving short period notice by either of the parties to the agreement.

16 There are no Micro and Small 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.



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial Statements for the year ended March 31, 2019

17 Income Tax Expenses

As there is no taxable income, tax liability as per provision of Income Tax Act, 1961 is INR NIL.

18 Segment Reporting

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

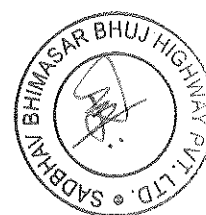
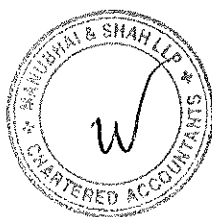
19 Financial Instruments

(i) Disclosure of Financial Instruments by Category

Financial instruments by categories	Note no.	(INR in Million)		
		March 31, 2019		
		FVTPL	FVTOCI	Amortized cost
Financial Asset				
Other Financial Asset	5	-	-	49.06
Cash and Cash Equivalent	6	-	-	0.05
Total Financial Assets		-	-	49.11
Financial Liabilities				
Trade Payables	10	-	-	2.69
Total Financial Liabilities		-	-	2.69

(ii) Fair value disclosures for financial assets and financial liabilities

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



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial Statements for the year ended March 31, 2019

20 Financial Risk Management

The Company's principal financial liabilities comprise 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 other receivables and cash and bank balance that derive directly from its operations.

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

(I) Market Risk

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

(II) Liquidity Risk

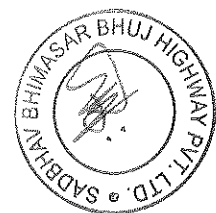
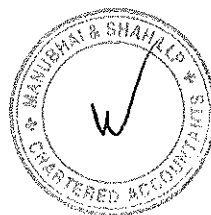
Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company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

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

As at March 31, 2019	Carrying Amount	On Demand	Upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability						
Trade Payables	2.69	-	2.69	-	-	-

(III) 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 will receive annuity fees from National Highway Authority of India and does not have any other outstanding receivables.



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial Statements for the year ended March 31, 2019

21 Disclosure pursuant to Appendix - D to Ind AS 115 - " Revenue from Contract with Customers"

(I) Description and classification of the arrangement

The Company has entered into Concession Agreement ('CA') with National Highway Authority of India (NHAI) dated May 23, 2018 for the purpose of development, maintenance and management of NH-341 including the section from Bhimasar Junction of NH-41 to Anjar-Bhuj upto Airport Junction from Km 0.000 to Km 65.478 of NH-341 (approximate 59.538 Km) in the state of Gujarat by Four-Laning thereof on Design, Build, Operate and Transfer ("DBOT Annuity" or "Hybrid Annuity") basis. As per the CA, NHAI grants to the Company exclusive right, license and authority to construct, operate and maintain the project during the Construction period of 910 days and Operation period of 15 years commencing from COD.

(II) Significant Terms of the Arrangements

(a) Bid Project Cost:-

The cost of the construction of the project which is due and payable by NHAI as on the Bid date is considered as the bid project cost under the concession agreement. The bid project cost has been finalised as INR 1152 Crore as at the bid date. Bid project cost is inclusive of the cost of construction, interest during construction, working capital, physical contingencies and all other costs, expenses and charges for and in respect of the construction of the project.

(b) Adjusted Bid Project Cost:-

The Bid Project cost adjusted to variation between the Price Index occurring between the Reference Index Date preceding the Bid Date and the Reference Index Date immediately preceding the Appointed Date shall be deemed to be the Bid Project Cost at commencement of construction.

(c) Payment of Bid Project Cost:-

40% of the Bid Project Cost, adjusted for the Price Index Multiple, shall be due and payable to the company in 5 equal installments of 8% each during the Construction Period in accordance with the provisions of Clause 23.4 of the CA.

The remaining Bid Project Cost, adjusted for the Price Index Multiple, shall be due and payable in 30 biannual installments commencing from the 180th day of COD in accordance with the provision of Clause 23.6 of the CA.

Interest shall be due and payable on the reducing balance of Completion Cost at an interest rate equal to the applicable Bank Rate plus 3%. Such interest shall be due and payable biannually along with each installment specified in Clause 23.6.3 of CA.

(d) Bonus on early completion:-

The CA also provides for the payment of Bonus to the company in the event the COD is achieved on or more than 30 days prior to the schedule completion date.

(e) Operation & Maintenance Payments:-

All Operation and Maintenance expenditure shall be borne by the concessionaire i.e. company. However, as provided in CA, the company shall be entitled to received lump sum financial support in the form of biannual payments by the NHAI, which shall be computed on Rs. 4.50 Crore (the "First Year O&M Cost") in accordance with the provisions of the Clause 23.7. Each installment of O&M payment shall be the product of the amount determined in accordance with clause 23.7.1 of the CA and the price index multiple on the reference index date preceding the due date of payment thereof.

(f) Termination of the CA:-

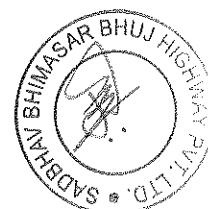
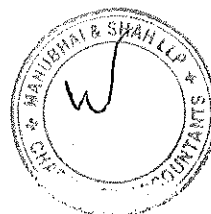
CA can be terminated on account of default of the company or NHAI in the circumstances as specified under Article 31 of the CA.

(g) Restriction on assignment and charges:-

In terms of the CA the company shall not assign, transfer or dispose of all or any rights and benefits under CA or create any encumbrances thereto except with prior consent of NHAI.

(h) Changes in CA:-

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



Sadbhav Bhimasar Bhuj Highway Private Limited
Notes to Financial Statements for the year ended March 31, 2019

22 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, other equity in form of Subordinate Debt of the Company.

The Company's objective for capital management is to maximize shareholder value and safeguard business continuity.

The Company determines the capital requirement based on annual operating plans and other strategic plans. The funding requirements are met through equity share capital, equity in form of subordinate debt and operating cash flows generated.

Summary of Quantitative Data is given hereunder:


Particulars	March 31, 2019 (INR in Million)
Equity	0.50
Equity Component of Compound Financial Instrument (Refer Note 9)	55.32
Total	55.82

The company does not have any externally imposed capital requirement.

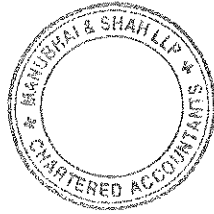
- 23** The Company was incorporated on April 13, 2018 and hence these financial statements are prepared covering period from April 13, 2018 to March 31, 2019 and this being the first year, previous year figures are not given.

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

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



(K. C. Patel)
Partner
Membership No.30083



Date: May 17, 2019
Place: Ahmedabad

For & On behalf of the Board of Directors of
Sadbhav Bhimasar Bhuj Highway Private Limited



(Darshan Bhatt)
Director
DIN: 07814974



(Girish Patel)
Director
DIN: 01139366

Date: May 17, 2019
Place: Ahmedabad

