



INDEPENDENT AUDITOR'S REPORT

To the Members of Sadbhav Rudrapur Highway Private Limited

Report on the audit of the Standalone Ind AS Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

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

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

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

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



Responsibility of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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



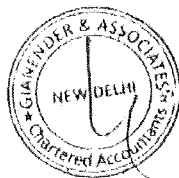
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we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

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

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


Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



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

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


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



Place: New Delhi
Date: 18.05.2019

**Annexure 'A' to the Independent Auditor's Report of Sadbhav Rudrapur Highway Private Limited
For the Year ended as on 31st March 2019**

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


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

b.) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues which have not been deposited on account of dispute.
- viii. According to the information and explanations given to us and based on our examination of the records, the Company has not defaulted in repayment of dues to banks and financial institutions in respect of Interest and Principal. The Company has not taken any loans or borrowings from any Government and not issued any debentures during the year.
- ix. Money raised by way of term loans were applied for the purpose for which it was raised. The Company has not raised money by way of initial public offer or further public offer during the year.



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

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


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



Place: New Delhi
Date: 18.05.2019

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in our Report of even date)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.


Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to financial statements issued by the Institute of Chartered Accountants of India.

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


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



**Place: New Delhi
Date: 18.05.2019**

Sadbhav Rudrapur Highway Private Limited
CIN: U45203GJ2016PTC091774
Balance Sheet as at March 31, 2019

Particulars	Note No.	As at	As at
		March 31, 2019	March 31, 2018
		INR in Million	INR in Million
ASSETS			
1. Non-current Assets			
(a) Other Non Current Assets			
(ii) Receivable under Concession Arrangements	5	2,910.79	1,570.18
(b) Other Non Current Assets	6	26.02	23.09
(c) Deferred tax assets (net)	7	0.03	0.06
		2,936.84	1,593.33
2. Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	8	0.60	140.33
(ii) Receivable under Concession Arrangements	9	782.92	474.10
(iii) Other Current Financial Asset	10	57.68	24.55
(b) Current tax assets (Net)	11	14.12	-
(c) Other Current Assets	12	507.07	600.60
		1,362.39	1,239.58
Total Assets		4,299.23	2,832.91
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	13	10.00	10.00
Other Equity	14	604.40	295.50
Total Equity		614.40	305.50
LIABILITIES			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	1,551.05	1,449.07
Current Liabilities		1,551.05	1,449.07
(a) Financial Liabilities			
(i) Borrowings	16	71.00	-
(ii) Trade Payables	17	-	-
-Dues to micro & small enterprises		-	-
-Dues to others		1,622.21	476.97
(iii) Other Financial Liabilities	18	59.62	30.46
(b) Other Current Liabilities	19	380.95	570.91
		2,133.79	1,078.34
Total Equity and Liabilities		4,299.23	2,832.91

Summary of significant accounting policies 3

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

As per our report of even date

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

G.K. Agrawal
Partner
M. No. 081603

Place: New Delhi
Date: May 18, 2019

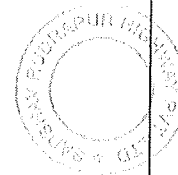


For & On Behalf of Board of Directors of
Sadbhav Rudrapur Highway Private Limited

Girish Patel
Director
DIN No:01139366

Place: Ahmedabad
Date: May 18, 2019

Vipul Patel
Director
DIN No:06634262



Sadbhav Rudrapur Highway Private Limited
CIN: U45203GJ2016PTC091774
Statement of Profit and Loss for the year ended March 31, 2019

Particulars	Note No.	March 31, 2019	March 31, 2018
		INR in Million	INR in Million
INCOME			
I Revenue From Operations	20	2,116.36	2,330.24
II Other Income	21	237.23	28.62
III Total Income (I+II)		2,353.59	2,358.86
EXPENSES			
Construction Expense	22	2,200.91	2,217.09
Finance Cost	23	185.61	103.58
Other Expenses	24	15.41	13.51
IV Total Expenses		2,401.92	2,334.18
V Profit / (Loss) before tax (III-IV)		(48.33)	24.68
VI Tax Expense			
Current tax		-	7.96
Deferred tax		0.03	(0.05)
Earlier year tax adjustment		(2.93)	
Total tax expenses		(2.90)	7.91
VII Profit/(Loss) for the year (VI-VII)		(45.43)	16.77
VIII Other Comprehensive Income		-	-
IX Total Comprehensive Income for the year, net of tax (VII+VIII)		(45.43)	16.77
Earning Per Share (Nominal Value of share INR 10/-) Basic & Diluted	25	(45.43)	16.77

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

As per our report of even date

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

G.K.Agrawal
Partner
M. No. 081603



For & On Behalf of Board of Directors of
Sadbhav Rudrapur Highway Private Limited

Girish Patel
Director
DIN No:01139366

Vipul Patel
Director
DIN No:06634262



Place: New Delhi
Date: May 18, 2019

Place: Ahmedabad
Date: May 18, 2019

Sadbhav Rudrapur Highway Private Limited
Cash Flow Statement For the year ended March 31, 2019

Particulars	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
(A) Cash Flows from operating activities		
Net (Loss) before Tax	(48.33)	24.68
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Interest and other borrowing cost	153.92	70.37
Gain on sale of units in mutual funds	(0.84)	(1.34)
Operating profit before working capital changes	104.75	93.71
<i>Working Capital Changes:</i>		
(Increase) in financial assets	(1,682.57)	(1,584.67)
(Increase) in current assets	93.53	(660.60)
Increase in financial liabilities	983.37	843.70
Cash Generated from Operations	(500.92)	(1,247.85)
Direct taxes paid (net of refund)	(14.12)	(30.93)
Net cash flow from operating activities (A)	(515.04)	(1,278.79)
(B) Cash Flows from investing activities		
Purchase of units in mutual funds	(267.50)	(267.00)
Sale of units in mutual funds	268.34	268.34
Net Cash generated from investing activities (B)	0.84	1.34
(C) Cash Flows from financing activities		
Proceeds from Non Current borrowings	99.70	1,483.40
Equity share capital Received	-	-
Sub Ordinate debt received	354.33	6.05
Proceeds from Current borrowings	71.00	-
Repayment of Current borrowings	-	(3.50)
Interest and other borrowing cost paid	(150.56)	(69.84)
Net cash generated from financing activities (C)	374.47	1,416.11
Net Increase in cash and cash equivalents (A + B + C)	(139.74)	138.65
Cash and cash equivalents at beginning of the year	140.33	1.68
Cash and cash equivalents at end of the year	0.60	140.33

Notes:

(i) Components of cash and cash equivalents (refer note 8)	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Cash in hand	0.01	0.00
Balances with banks in current accounts*	0.59	140.33
Cash and cash equivalents	0.60	140.33

* Balances with banks include balance of INR 2.31 million (March 31, 2017 INR 3.01 million) lying in the escrow accounts as per terms of borrowings with the lenders.

(ii) Reconciliation of Financial liabilities	INR in Million			
	March 31, 2019	Cash flows	Interest Cost	Non-cash adjustment Transaction Cost
Long Term Borrowings	1,449.07	99.70	-	1,451.35
Interest accrued and due on borrowing	0.13	(150.56)	153.92	-
				1.21

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

(iv) Figures in brackets represent outflows.

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

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

G.K. Agrawal
Partner
M. No. 081603

Place: New Delhi
Date: May 18, 2019

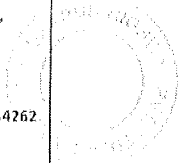


For & On Behalf of Board of Directors of
Sadbhav Rudrapur Highway Private Limited

Girish Patel
Director
DIN No: 01139366

Vipul Patel
Director
DIN No: 06634262

Place: Ahmedabad
Date: May 18, 2019



Sadbhav Rudrapur Highway Private Limited
Statement of Changes in Equity for the year ended March 31, 2019

A Equity Share Capital		INR in Million	
Equity Shares of INR 10 each issued, Subscribed and fully paid	No. of Shares	Amount	
At April 01, 2017	10 00 000	10.00	
Changes during the year			
At March 31, 2018	10 00 000	10.00	
At April 01, 2018	10 00 000	10.00	
Changes during the year			
At March 31, 2019	10 00 000	10.00	

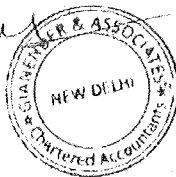
B Other Equity		INR in Million		
Particulars	Equity Component of Compound Financial Instrument (Subordinate debt)*	Reserves and Surplus		Total
		Retained Earning		
As at the April 01, 2017	272.96	(0.29)		272.67
Sub debt received	6.05			6.05
Total Comprehensive Income for the year		16.78		16.78
As at the March 31, 2018	279.01	16.49		295.50
As at the April 01, 2018	279.01	16.49		295.50
Sub debt received	354.33			354.33
Total Comprehensive Income for the year		(45.43)		(45.43)
As at the March 31, 2019	633.34	(28.94)		604.40

* 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 Promotors commitment for the project as per Common Loan Agreement. Sub-ordinate debt is interest free and shall be repayable at the option of the company at the end of the concession period or earlier.

As per our report of even date

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

G.K. Agrawal
Partner
M. No. 081603



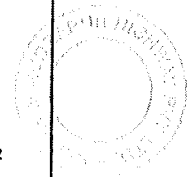
Place: New Delhi
Date: May 18, 2019

For & On Behalf of Board of Directors of
Sadbhav Rudrapur Highway Private Limited

Girish Patel
Director
DIN No:01139366

Vipul Patel
Director
DIN No:06634262

Place: Ahmedabad
Date: May 18, 2019



Sadbhav Rudrapur Highway Private Limited

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

1. Company information:

Sadbhav Rudrapur 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 June, 2016, to augment the existing road from km 0.00 (km190.00 of NH-24) to km 42.791 (approximately 43.446 km) on the Rampur - Kathgodam Section of N.H. 87 (New N.H. No 9) (in the state of Uttar Pradesh by Four-Laning thereof on Design, Built, Operate and Transfer ("DBOT Annuity" or "Hybrid Annuity") basis. As per the SCA, NHAI grants to the Company exclusive right, license and authority to construct, operate and maintain the project during the Construction Period of 730 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 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 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 Rudrapur 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:

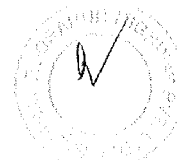
- It is expected to be settled in the normal operating cycle;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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



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

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.

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.



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

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.

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.



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

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) 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.



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

iii. De-recognition of financial assets

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

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

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

iv. Impairment of financial assets

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

b) Financial Liabilities

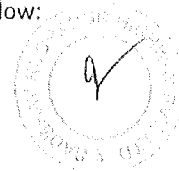
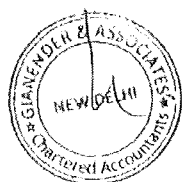
i. Initial recognition and measurement of financial liabilities

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

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

ii. Subsequent measurement of financial liabilities

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



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

• **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 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.

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.

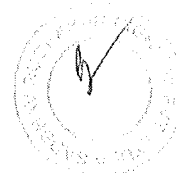
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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.



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

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.

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.



Sadbhav Rudrapur Highway Private Limited

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

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

As per provision of Income tax Act 1961, the Company is eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment years out of 20 years beginning of toll operation. The current year is 2nd year of company's operation and it propose to start claiming tax holiday in the subsequent years only. No deferred tax (assets or liabilities) is recognized in respect of temporary difference which reverse during tax holiday period, 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 recognized in the year in which the timing difference originate. However, the company restricts recognition of deferred tax assets to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. For recognition of deferred tax, the timing difference which originate first are considered to reverse first.

The carrying amount of deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be 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.

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.



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

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.

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.



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

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

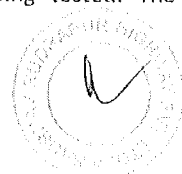
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where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

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



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

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 an Company borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact from this amendment.



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

5 Receivable under Service Concession Arrangements	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Receivable from NHAI	2,910.79	1,570.18
Total	2,910.79	1,570.18

6 Other Non Current Assets	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Advance Income Tax (net of provision)	26.02	23.09
Total	26.02	23.09

7 Deferred tax assets (net)	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Deferred tax assets (net)	0.03	0.06
Total	0.03	0.06

8 Cash and Cash Equivalents	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Cash in Hand*	0.01	0.00
Balance with Banks in current accounts	0.59	140.33
Total	0.60	140.33

*Amount of INR 3841/- as at March 31, 2018 is below rounding off norm adopted by company.

Note: Balances with banks include balance of INR 0.51 million (March 31, 2018 INR 14.03 million) lying in the escrow accounts as per terms of borrowings with the lenders.

9 Receivable under Service Concession Arrangements	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Receivable from NHAI	782.92	474.10
Total	782.92	474.10

Note: Fair value disclosures for financial assets are given in note 31.

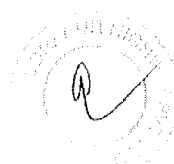
10 Other Current Financial Asset	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Interest receivable on Mobi Adv from SEL (refer note 26)	48.43	24.55
Other Receivables	9.25	-
Total	57.68	24.55

Note: Fair value disclosures for financial assets are given in note 31.

11 Current tax assets (net)	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Current tax assets	14.12	-
Total	14.12	-

12 Other Current Asset	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Mobilization Advance (refer note 26)	211.21	490.51
Advance to Vendor* (refer note 26)	-	0.00
Tax credit Receivable	295.86	110.09
Total	507.07	600.60

*Amount INR 3600/- as at March 31, 2018 is below rounding off norm adopted by company.



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

13 Equity Share Capital	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	10,00,000	10.00	10,00,000	10.00
	10,00,000	10.00	10,00,000	10.00
Issued, Subscribed and fully paid up				
Equity Shares of Rs 10 each	10,00,000	10.00	10,00,000	10.00
Total	10,00,000	10.00	10,00,000	10.00

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

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	INR in Million	No. of shares	INR in Million
At the beginning of the year	10,00,000	10.00	10,00,000	10.00
Add: Issue during the year	-	-	-	-
Outstanding at the end of the year	10,00,000	10.00	10,00,000	10.00

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

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

(c) **Share held by holding Company:**

Out of issued, subscribed and paid up equity capital 1,000,000 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**

Particulars	March 31, 2019		March 31, 2018	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Equity Shares of Rs 10 each fully paid				
Sadbhav Infrastructure Project Limited and its nominees	10,00,000	100%	10,00,000	100%

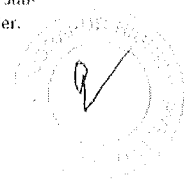
As per the records of the company, including its registers of shareholders/member and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

14 **Other Equity**

	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Equity Component of Compound Financial Instrument - Sub Ordinate debts		
Balance as per last financial statement	279.01	272.96
Add: Addition during the year	354.33	6.05
Balance at the end of the year	Total 633.34	279.01
Retained Earning		
(Deficit) at the beginning of the Year	16.49	(0.29)
Add: Net Profit/ (Loss) after tax transferred from Statement of Profit and Loss	(45.43)	16.78
(Deficit) at the end of the Year	(28.94)	16.49
Total	604.40	295.50

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 Promoters commitment for the project as per Common Loan Agreement. Sub-ordinate debt is interest free and shall be repayable at the option of the company at the end of the concession period or earlier.



15 Non Current Borrowing

March 31, 2019	March 31, 2018
INR in Million	INR in Million

Secured*

Term Loan from Banks	1,227.06	1,125.08
Term Loan from Financial Institution	323.99	323.99

Total 1,551.05 1,449.07

* includes the effect of transaction cost paid to lenders on upfront basis.

16 Short Term Borrowings

March 31, 2019	March 31, 2018
INR in Million	INR in Million

Loans Repayable on Demand - Unsecured
Loan from Holding Company* (refer note 26)

71.00 -

Total 71.00 -

* Loan is repayable on demand / call notice from the lender and carries interest of 8.70% per annum compounded monthly

17 Trade Payables

March 31, 2019	March 31, 2018
INR in Million	INR in Million

Current

-Due to Related Parties (refer note 26 & 29)
-Due to Others (refer note 29)

1,615.58 474.89
6.63 2.08

Total 1,622.21 476.97

*There have been no claimed transactions during the year with Micro, Small and Medium Enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act 2006.

18 Other Current Financial Liabilities

March 31, 2019	March 31, 2018
INR in Million	INR in Million

Interest accrued and due on borrowings
-Dues to Related party
-Dues to others
Interest payable on Mob. Adv to NHAI

1.21 0.13
- 0.44
58.42 29.89

Total 59.62 30.46

Note. Fair value disclosures for financial liabilities are given in note 31.

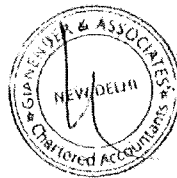
19 Other Current Liability

March 31, 2019	March 31, 2018
INR in Million	INR in Million

Statutory dues
Mobilization Advance From Customer

11.95 17.40
369.00 553.50

Total 380.95 570.90



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

20 Revenue From Operations	March 31, 2019 INR in Million	March 31, 2018 INR in Million
Construction Contract Revenue	2,029.47	1,979.50
Utility Shifting Income	86.89	197.45
Price Escalation Income - WPI	-	153.30
Total	2,116.36	2,330.24

Revenue from contract with customers

20.1 Disaggregated revenue information:

Having regard to the nature of contract with customer, there is only one type of category of revenue, hence disclosure of disaggregation of revenue is not given.

20.2 Receivable under concession arrangement and contract balances:

The company classifies the right to consideration in exchange for deliverables as either receivable or unbilled revenue. A receivable is a right to consideration that is unconditional upon passage of time. Revenue for such services are recognised as related services are performed. Revenue in excess of billings is recorded as unbilled revenue and is classified as financial asset for those cases as right to consideration is unconditional as passage of time. Invoicing to the customer is based on milestones as defined in the contract.

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

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2019 is INR 4,899.80 Millions. Out of this the Company expect to recognise revenue around INR 3,268.60 Millions in next year and remaining thereafter. Remaining performance obligation estimates are subject to change and affected by several factors including terminations, change of scope of contracts, occurrence of same is expected to be remote.

20.4 Reconciliation the amount of revenue recognised in the statement of profit and loss with contract price has not provided as there is no adjustment made with respect to contract price.

21 Other Income	March 31, 2019 INR in Million	March 31, 2018 INR in Million
Notional Finance Income	209.87	
Gain on sale of units of mutual funds	0.84	1.34
Interest Income on Advance (refer note 26)	26.53	27.28
Total	237.23	28.62

22 Construction Expense	March 31, 2019 INR in Million	March 31, 2018 INR in Million
Construction Contract Charges (refer note 26)	1,802.82	1,615.27
Road Maintenance Expense (refer note 26)	103.50	276.00
Utility Shifting expense (refer note 26)	86.89	197.45
Price Escalation Expense - WPI (refer note 26)	207.70	128.37
Total	2,200.91	2,217.09

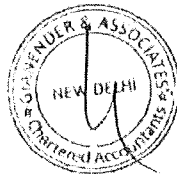


23 Finance Cost	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Interest expense on		
Long term loan	149.69	68.01
Short term Loan	1.20	0.09
Income tax	-	0.24
Mobilization Advance - NHAI	31.69	33.22
Other Borrowing Cost	3.03	2.02
Total	185.61	103.58

24 Other Expenses	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
Office Rent Expense	1.06	0.68
Office Expense	0.00	0.01
Auditors Remuneration	0.07	0.04
Independent Consultant fee	11.75	9.45
Filing Expenses	0.01	0.01
Professional Fee & Expenses	2.16	2.82
Stamp Fees	0.00	0.32
Travelling Expense	0.19	0.16
Rates & taxes	0.17	0.01
Printing & Stationary Expenses	-	-
Total	15.41	13.51

24.1 Auditors' remuneration comprises following:

	March 31, 2019	March 31, 2018
	INR in Million	INR in Million
As Statutory Auditor	0.04	0.04
As Tax Auditor	0.03	-
Total	0.07	0.04

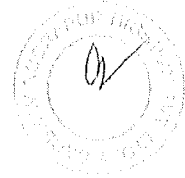


Sadbhav Rudrapur Highway Private Limited
Notes to Financial Statements for the year ended March 31, 2019

25 Earning Per Share (EPS):

Earnings per share is calculated by dividing the net loss attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year, as under :

		March 31, 2019	March 31, 2018
Net Profit/ (Loss) attributable to equity holders:	In Million	(45.43)	16.77
Total no. of equity shares at the end of the year		10,00,000	10,00,000
Weighted average of number of equity shares outstanding during the Period		10,00,000	10,00,000
Nominal value of equity shares		10	10
Basic & Diluted Earnings/(Loss) per share	In INR	(45.43)	16.77



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

26 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 :

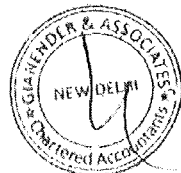
Sr. No	Description of Relationship	Name of the Related Party
(A)	Enterprises having control:	
	Ultimate Holding Company	Sadbhav Engineering Limited (SEL)
	Holding Company	Sadbhav Infrastructure Project Limited (SIPL)

(II) Transactions with Related Parties during the Year:

No.	Particulars	March 31, 2019 INR in Million	March 31, 2018 INR in Million
(i)	Sub Debt Received		
	-SIPL	354.33	6.05
(ii)	Unsecured loan received		
	-SIPL	71.00	0.80
(iii)	Unsecured loan repaid		
	-SIPL	0.12	4.30
(iv)	Interest on unsecured loan		
	-SIPL	1.20	0.09
(v)	Reimbursement of Expenses		
	-SEL	1.06	0.68
	-SIPL	29.87	37.69
(vi)	Operating and Maintenance Expense		
	-SIPL	103.50	276.00
(vii)	EPC Work expense		
	-SEL	1,802.82	1,615.27
(viii)	Utility Shifting Work expense		
	-SEL	86.89	197.45
(ix)	Price Escalation expense		
	-SEL	207.70	128.37
(x)	Mobilization Advance given		
	-SEL		603.00
(xi)	Interest Income on Mobilization Advance		
	-SEL	26.53	27.28

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

No.	Particulars	March 31, 2019 INR in Million	March 31, 2018 INR in Million
(i)	Sub Ordinate Debt		
	-SIPL	633.34	279.01
(ii)	Unsecured loan (Including Interest Payable)		
	-SIPL	72.21	0.13
(iii)	Payable towards Operating, Maintenance & Reimb. of Expense		
	-SIPL	143.75	0.04
(iv)	Payable towards EPC Cost and Price Escalation Cost		
	-SEL	1,459.76	196.55
(v)	Payable towards Utility shifting and Reimbursement of expense		
	-SEL	11.14	0.53
(vi)	Mobilization Advance		
	-SEL	211.21	490.51
(vii)	Interest Receivable from SEL		
	-SEL	48.43	24.55



*There is no provision for bad and doubtful debts to related parties with regard to outstanding expenses and there is no expense recognized in respect of bad and doubtful debts due from related parties.

(IV) 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 excepts short term loan and settlement occurs as per the terms of the agreement.
2. Loans in INR taken from the related party carries interest rate 8.70%.
3. The Company has not provided any commitment to the related party as at March 31, 2019.

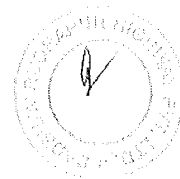
27 Segment Reporting

The Operating segment of the company is identified to be "DBFOT" or "Hybrid Annuity", 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 Operation Segments. Further, the company also primarily operates under one geographical segment namely India.

- 28** Office premise of the Company have been taken on operating lease basis. The lease rent paid during the year INR 1.06 million (Year March 31, 2018 INR 0.68 million). This operating lease agreement is cancellable by giving short period notice by either of the parties to the agreement.

29 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.



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

30 Income Tax expense

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

a) Profit and Loss Section

	March 31, 2019 INR in Million	March 31, 2018 INR in Million
Current tax		
Current tax charges	-	7.96
		7.96
Deferred tax		
Deferred tax charge	0.03	(0.05)
Total deferred income tax expense	0.03	(0.05)
Tax Expense reported in the Statement of Profit and Loss	0.02	7.91

(b) A Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	March 31, 2019 INR in Million	March 31, 2018 INR in Million
Accounting profit/(loss) before tax	(48.33)	24.68
Statutory Income tax rate	27.820%	33.063%
Expected Income tax expenses	(13.45)	8.16
Tax Effect of adjustments to reconcile expected income tax expenses to reported income tax expenses		
Tax effect of non deductible items	-	0.08
Tax on income at different rates	(0.09)	(0.24)
Others	(0.04)	(0.10)
Income tax expenses as per normal tax rate	(13.58)	7.90
Consequent to reconciliation items shown above, the effective tax rate	28.10%	32.01%

(c) Deferred Tax

The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2018.

Particulars	INR in Million			
	Balance sheet		Statement of Profit and Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax (liability)/assets				
Expenditure allowed over the period	0.03	0.06	(0.03)	(0.06)
Total deferred tax expenses /(Income)			(0.03)	(0.06)
Net deferred tax assets/(liabilities)	0.03	0.06		



Sadbhav Rudrapur Highway Private Limited

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

31 Financial Instruments

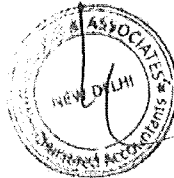
(I) Disclosure of Financial Instruments by Category

INR in Million

Financial instruments by categories	Note no.	March 31, 2019			March 31, 2018		
		FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized cost
Financial Asset							
Receivable from NHAI	9	-	-	3,693.72	-	-	2,044.28
Cash and Cash Equivalent	8	-	-	0.60	-	-	140.33
Other Financial Assets	10	-	-	57.68	-	-	24.55
Total Financial Assets		-	-	3,752.00	-	-	2,209.16
Financial Liabilities							
Non Current Borrowing	15	-	-	1,551.05	-	-	1,449.07
Current Borrowing	16	-	-	71.00	-	-	-
Trade Payable	17	-	-	1,622.21	-	-	476.97
other Financial liabilities	18	-	-	59.62	-	-	30.46
Total Financial Liabilities		-	-	3,303.88	-	-	1,956.50

(II) Fair Value disclosures for financial assets and financial liabilities

- (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 carrying value of company's interest - bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.



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

32. Financial Risk Management

Financial instruments risk management objectives and policies

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

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

(a) Market risk

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

Interest Rate Risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest.

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	1583.10	1483.40

Sensitivity analysis

Since the Construction expenses, including interest expense during construction period, and Construction income are recognised on the basis of percentage completion method, the proportionate revenue shall also be adjusted due to increase or decrease in to the interest expenses and therefore the profit / (loss) after tax shall not have any impact during the year. Consequently, impact on profit/ (loss) after tax due to increase or decrease of interest rate has not been calculated for the year.

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

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

As at March 31, 2019	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability						
Borrowings	1,583.10	-	74.72	79.63	269.13	1,159.62
Trade Payables	1,622.21	-	1,622.21	-	-	-
Other financial liabilities	59.62	-	59.62	-	-	-
<hr/>						
As at March 31, 2018	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
Non Derivative Financial Liability						
Current borrowings	1,483.40	-	-	70.02	237.64	1,175.74
Trade Payables	476.97	-	476.97	-	-	-
Other financial liabilities	30.46	-	30.46	-	-	-



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

33 Disclosure pursuant to Appendix - E to Ind AS 115 - "Revenue from Contract with Customer"

(I) Description and classification of the arrangement

The Company has entered into Service Concession Agreement ("SCA") with National Highway Authority of India (NHAI) dated June 02, 2016 for the purpose of augment the existing road from km 0.00 (km190.00 of NH-24) to km 42.791 (approximately 43.446 km) on the Rampur - Kathgodam Section of N.H. 87 (New N.H. No 9) { in the state of Uttar Pradesh by Four-Laning thereof on Design, Built, Operate and Transfer ("DBOT Annuity" or "Hybrid Annuity") basis. As per the SCA, NHAI grants to the Company exclusive right, license and authority to construct, operate and maintain the project during the Construction Period of 730 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 7380.00 Million 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 for 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 Concessionaire in 5 equal installments of 8% each during the Construction Period in accordance with the provisions of Clause 23.4 of the SCA.

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 SCA.

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 SCA.

(d) Bonus on early completion:-

The SCA 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. The schedule completion date of the project is March 31, 2019.

(e) Operation & Maintenance Payments:-

All Operation and Maintenance expenditure shall be borne by the concessionaire. However, as provided in SCA, 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 the amount quoted in the O&M bid. Each installment of O&M payment shall be the product of the amount determined in accordance with the terms of the SCA and the price index multiple on the reference index date preceding the due date of payment thereof.

(f) Escrow Account:-

In terms of the SCA, the company shall enter into an Escrow Agreement, substantially in the form set forth in schedule 'O' of the SCA, with NHAI, Escrow bank and senior lenders and shall establish Escrow Account with the Escrow bank. The company also require to deposit and made withdrawals as described in the Escrow Agreement. Accordingly, the company has entered into an Escrow agreement with the Industnd Bank Ltd and NHAI.

(g) Termination of the SCA:-

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

(h) Restriction on assignment and charges:-

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

(i) Changes in SCA:-

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



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

34 Capital Management

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

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtained additional sub-ordinate debts. The Company monitors capital using debt equity ratio which does not exceed 4:1, which is total Borrowings divided by total equity excluding balance of deficit in statement of profit & loss.

The key performance ratios as at 31 March are as follows:

	INR in Million	
	March 31, 2019 INR in Million	March 31, 2018 INR in Million
Short term Borrowing	71.00	-
Borrowings (refer note 15)	1,583.10	1,483.40
Total Debt - A	1,654.10	1,483.40
Equity share Capital (refer note 13)	10.00	10.00
Other Equity (refer note 14)	604.40	295.50
Equity Bank Guarantee	221.40	221.40
Total Equity - B	835.80	526.90
Debt to Equity Ratio - (A/B)	1.98	2.82

The company does not have any externally imposed capital requirement.

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

As per our report of even date
For Gnanender & Associates
Chartered Accountants
ICAI Firm Registration No. 004661N

G.K. Aggarwal
Partner
M. No. 081603

Place: New Delhi
Date: May 18, 2019



For & On Behalf of Board of Directors of
Sadbhav Rudrapur Highway Private Limited

Girish Patel
Director
DIN No:01139366

Place: Ahmedabad
Date: May 18, 2019

Vipul Patel
Director
DIN No:06634262

