

Ref: SIPL/2019-20/0051

3rd September, 2019

To

The Manager (Listing)
Corporate Relationship Dept.
BSE Limited
P J Tower,
Dalal Street,
Mumbai - 400 001

The Manager (Listing)
National Stock Exchange of India Limited
“Exchange Plaza”,
Plot No C/1, G Block
BandraKurla Complex, Bandra (E)
Mumbai - 400 051

Company Code: 539346 (BSE)

NSE Symbol: SADBHIN (NSE)

Dear Sir/ madam,

Sub: Submission of Annual Report pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2018-19 which is being dispatched/ sent to the members by the permitted mode(s).

The Annual Report for the financial year 2018-19 is uploaded on the website of the Company (www.sadbhavinfra.co.in).

Kindly take the same on your record.

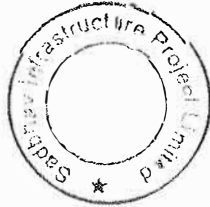
Thanking You,

Yours Faithfully,

For Sadbhav Infrastructure Project Limited



Hardik Modi
Company Secretary
Membership No. F9193
Encl: a.a.



13th Annual Report 2018-19

**Sadbhav Infrastructure
Project Limited**

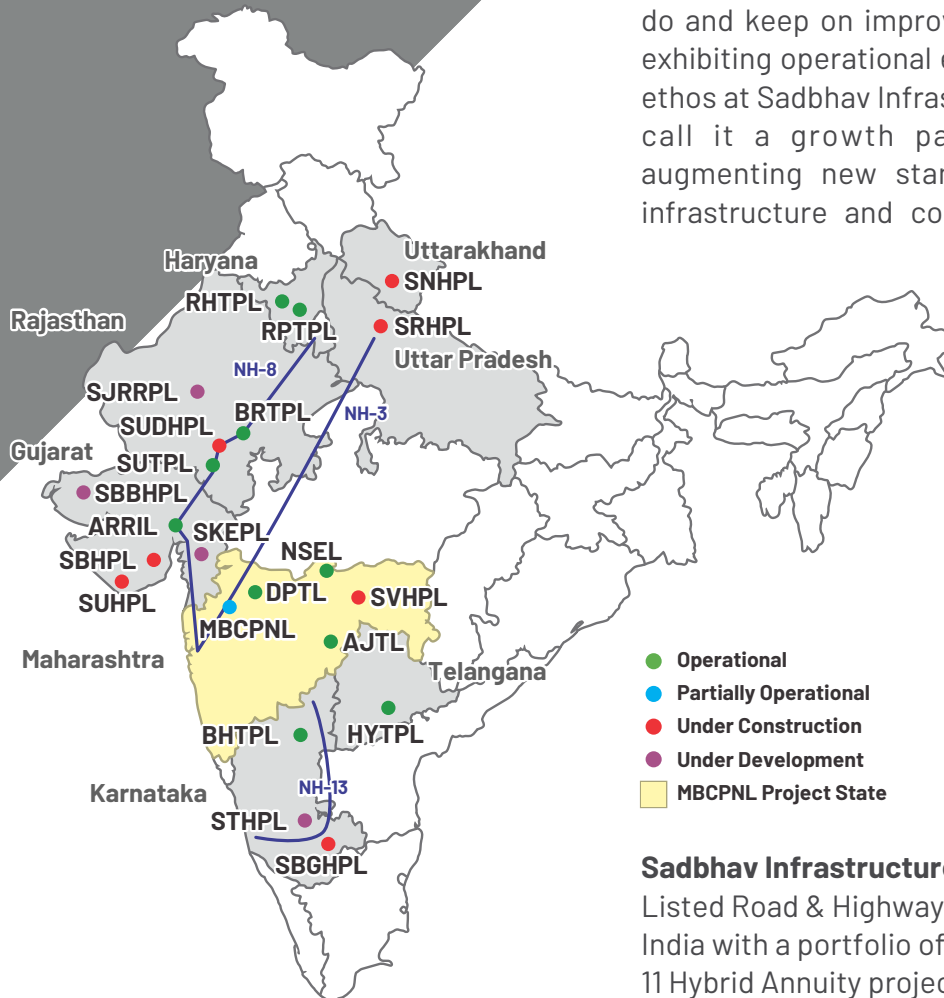
Serving Infrastructure
Excellence to New India



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India



Transcend beyond the set benchmarks in all that we do and keep on improving in all our endeavours by exhibiting operational excellence is intrinsic to core ethos at Sadbhav Infrastructure Project Limited. We call it a growth paradigm and we keep on augmenting new standards in serving country's infrastructure and contribute to India's vision of building robust infrastructure to fuel sound economic growth. Despite challenging business environment, SIPL has sustained its progress on the upward growth trajectory envisaged by its leadership.

Sadbhav Infrastructure Project Limited
Listed Road & Highways BOT Company in India with a portfolio of 11 BOT projects and 11 Hybrid Annuity projects



“ Life is
the biggest opportunity
God gives us.
Make the most of it. ”

Late Shri Vishnubhai M. Patel
27 January, 1942 – 25 December, 2018
Former Chairman,
Sadbhav Infrastructure Project Limited

Late Shri Vishnubhai Patel, our beloved mentor, was the founder promoter of Sadbhav Engineering Ltd., one of the renowned infrastructure companies of India. He was a born leader and a true visionary. A self-motivated man with unending determination to dream and transform it into reality. He was also a very affectionate person who loved and cared about his Sadbhav family and communities that he worked for.

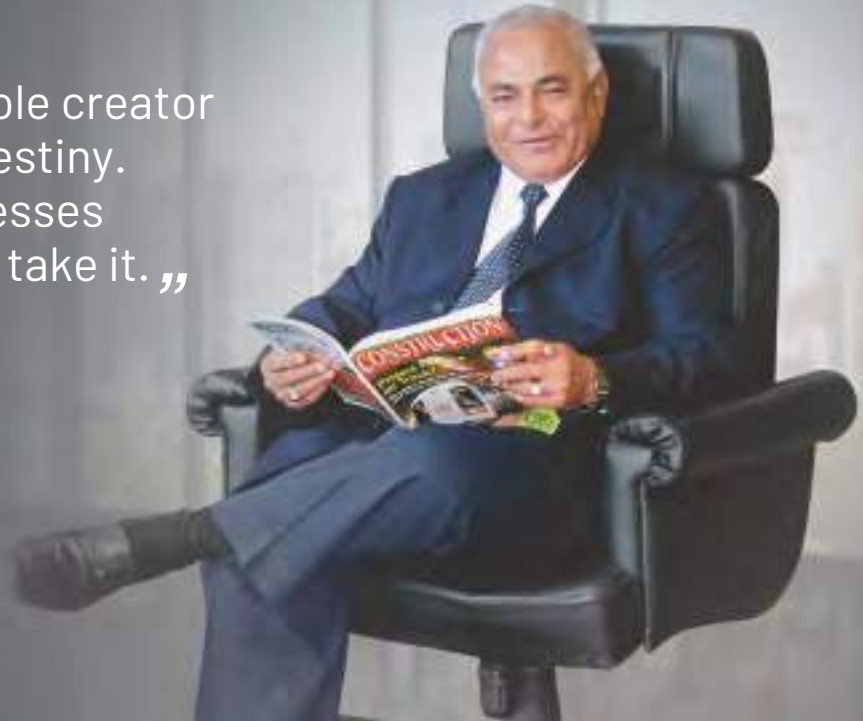
Late Shri Vishnubhai had a humble beginning, but with his foresightedness and persistence, he laid the foundation of a world-class infrastructure company. He was a staunch believer of “There is no alternative to hard work” and had always worked towards it. In the year 1988, Sadbhav Engineering Ltd. (SEL) was incorporated and since then Late Shri Vishnubhai was the promoter of the group. Under his excellent supervision, Sadbhav Group

had successfully completed various projects of national significance in the sectors of Roads & Highways, Mining and Irrigation supporting infrastructure. SEL had successfully completed various canal works for one of the largest irrigation projects in the world viz. Sardar Sarovar Narmada Project. SEL had also incorporated Sadbhav Infrastructure Project Limited (SIPL), as a subsidiary, back in 2007 as an asset holding company for Road & Other Infrastructure BOT Projects and for development of roads and highways.

He believed in giving quality work and had never compromised on quality in any of the executed projects and provided utmost satisfaction to all the stakeholders. He was always ready to adapt to changes. Under his able leadership the organisation upgraded project management and engineering capabilities of Sadbhav Group with global technologies & equipments to offer best



“ You are the sole creator
of your destiny.
It progresses
where you take it. ”



solutions to client with reduced cost, improved operational efficiency and delivery of projects within stipulated timeline. In 2016, he decided for digital transformation of operations of the company by implementing prestigious SAP S/4 HANA - the next generation business suite that offers massive simplifications -customer adoption, data model, user experience, decision making, business processes, and models. Sadbhav became one of the 10 companies in India to implement SAP S/4 HANA during that period.

Late Shri Vishnubhai was a luminary who tended both business and social welfare equally. He is revered today for his outstanding contribution to build Lions Karnavati Shantaben Vishnubhai Patel Eye Hospital at Ognaj, Ahmedabad. The hospital has performed more than 1,70,000 cataract operations for free of cost, since its inception in 1992. Being a noble corporate

citizen, he also founded M.B Patel Sarvajanic Hospital, a multi-specialty hospital in his village - Mota Isanpur, Dist. Gandhinagar. People from nearby towns and villages have benefited by his intervention as they have got affordable healthcare at their doorsteps. He had a very high regard for his village and always worked towards its progress.

He was a simple man with great deeds. Shri Vishnubhai has been our inspiration and strength and will always guide us to the righteous path.

We at SIPL are geared up to work towards the vision and path showed by Late Shri Vishnubhai Patel.

Serving Infrastructure Excellence to New India

Focussed investment strategy has led to sustainable development of the Company. Nine out of eleven operational assets have generated cash profits during FY19. Company is one of the frontrunner in bagging HAM assets from NHAI. Company has entered into a landmark transaction with Indinfravit for sale of stake in 9¹ operational road projects for an Enterprise Value of ₹ 66112 million which includes Equity Value² of ₹ 25462 million as against equity invested (including sub-debt) of ₹ 14940 million.

1. MBHPL is currently held by Sadbhav Engineering Limited (SEL), SIPL's parent company

2. Includes value for 23% stake of minority shareholder in BHTPL (approx. INR 700 million).

The Road So Far

Sustained Growth in Asset Base

Consistent Asset Addition to Portfolio Indicating a Strong Operational and Executional Capability

		Annual Addition of Operational Assets									
		■ Denotes projects that have become operational in that year									
		ARRIL	ARRIL	ARRIL	ARRIL	ARRIL	ARRIL	ARRIL	ARRIL	ARRIL	ARRIL
		FY 09	FY 10 ¹	FY 11	FY 12	FY 13	FY 14	FY 16	FY 17	FY 18	FY 19
OPERATIONAL	Operational Assets	1	2	3	4	6	8	9	11	12	12
	Lane km	305	569	680	1,035	1,566	1,890	2,207	2,951	3,338	3,338
	Project Cost (in INR Bn)	5	8	12	26	45	71	82	102	110	110

Notes

1. The company had divested its stake in Mumbai Nasik Expressway Limited (MNEL) in FY16. The same has not been included above.
2. MBCPNL had 6, 9, 13, 16 and 18 check posts operational in FY14, FY15, FY16, FY17 and FY18 respectively.
3. Stake in MBHPL is currently owned by SEL.



Operating Assets to be sold

(₹ in Million)

Particulars	ARRIL	AJTL	NSEL	HYTPL
Current Stake	99.99%	99.99%	99.99%	99.99%
Project Type	Toll	Toll	Annuity	Toll
State	Gujarat	Maharashtra	Maha/MP	Telangana
Client	AUDA	Govt. of Maharashtra	NHAI	NHAI
Lane kms	305.4	263.2	110.9	142.6
Concession Start	6-Dec	7-Feb	7-Nov	10-Jul
Original Concession (yrs)	20 Y	23 Y 6 M	20 Y	23 Y
PCOD/COD	8-May	9-Jul	10-May	12-Dec
Residual Life (Yrs/Months)	7 Y 9 M	11 Y 4 M	8 Y 8 M	14 Y 4 M
Revenue Sharing	Grant	N.A.	N.A.	Premium
Project Cost	5,435.10	2,724.00	3,747.90	4,947.10
Total Equity + Subdebt of SIPL	1,036.80	1,117.70	435.1	1,190.50
Debt as on 31.03.2019	2,024.10	2,176.90	1,604.00	3,693.70
Particulars	BHTPL	SUTPL	BRTPL	DPTL
Current Stake	76.99% ⁽¹⁾	99.99%	99.99%	99.99%
Project Type	Toll	Toll	Toll	Toll
State	Karnataka	Rajasthan	Rajasthan	Maharashtra
Client	NHAI	NHAI	NHAI	NHAI
Lane km	388.9	317.2	349	355.2
Concession Start	10-Sep	13-Apr	13-Oct	9-Dec
Original Concession (yrs)	20 Y	27 Y	30 Y	18 Y
PCOD/COD	12-Apr	15-Dec	16-Jun	12-Jan
Residual Life (Yrs/Months)	11 Y 5 M	21 Y 0 M	24 Y 6 M	8 Y 9 M
Revenue Sharing	Grant	Premium	Grant	Premium
Project Cost	13,688.70	11,514.60	6,761.00	14,200.00
Total Equity + Subdebt of SIPL	1,398.00	3,114.60	1,333.00	3,823.80
Debt as on 31.03.2019	7,933.10	8,331.10	2,718.50	10,201.40

Operating Assets to be continued

Particulars	RHTPL	RPTPL	MBCPNL
Current Stake	99.99%	99.99%	97.00%
Project Type	Toll	Toll	Service Fee
State	Haryana	Haryana	Maharashtra
Client	NHAI	NHAI	Govt. of Maha.
Lane kms	395.2	323.4	22 Border CPs
Concession Start	13-Dec	11-Apr	Diff. for all CPs
Original Concession (yrs)	22 Y	25 Y	24 Y 6 M
PCOD	16-Jul	14-Jan	Diff. for all CPs
Residual Life (Yrs/Months)	16 Y 9 M	17 Y 0 M	14 Y 7 M
Revenue Sharing	Grant	Premium	N.A
Project Cost	12,715.80	11,610.20	14,263.50
Total Equity + Subdebt of SIPL	1,100.80	2,426.80	4,926.90
Debt as on 31.03.2019	9,416.60	9323.1	11,420.90

11 HAM projects

(₹ in Million)

Particulars	SRHPL	SNHPL	SBHPL	SUHPL	SBGHPL
Current Stake	99.99%	99.99%	99.99%	99.99%	99.99%
Project Type (Pavement)	HAM (Rigid)	HAM (Rigid)	HAM (Rigid)	HAM (Rigid)	HAM (Flexible)
State	Uttar Pradesh	Uttarakhand	Gujarat	Gujarat	Karnataka
Client	NHAI	NHAI	NHAI	NHAI	NHAI
Lane kms	173.8	199.1	192.2	163.8	408.8
Concession Start	17-Mar	17-Oct	17-Feb	17-Feb	17-Aug
Original Concession (yrs)	17 Y	17 Y	17 Y 6 M	17 Y 6 M	17 Y
Total Project Cost	7,380.00	6,570.00	8,190.00	6,230.00	10,080.00
Total Equity + Subdebt of SIPL to be invested	885.6	788.4	982.8	747.6	1,209.60
Equity + Subdebt already infused upto 31.03.2019	643.3	461	546.4	284.5	948.2
Debt to be drawn down	3,542.40	3,153.60	3,931.20	2,990.40	4,838.40
Debt as on 31.03.2019	1,551.00	746.9	2,703.80	1,572.70	3,447.80

Particulars	SUDHPL	SVHPL	SJRRPL	SBBHPL	SKEPL	STHPL
Current Stake	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
Project Type (Pavement)	HAM (Rigid)	HAM (Rigid)	HAM (Rigid)	HAM(Flexible)	HAM (Rigid)	HAM (Rigid)
State	Rajasthan	Maharashtra	Rajasthan	Gujarat	Gujarat	Karnataka
Client	NHAI	NHAI	NHAI	NHAI	NHAI	NHAI
Lane kms	143.3	267.5	447.7	238.2	196.6	194.1
Concession Start	17-Nov	18-May	18-Dec	Yet to start	Yet to start	Yet to start
Original Concession (yrs)	17 Y	17 Y 6 M	17 Y	17 Y 6 M	17 Y	17 Y
Total Project Cost	8,910.00	10,710.00	11,610.00	11,520.00	14,040.00	10,008.00
Total Equity + Subdebt of SIPL to be invested	1,076.00	1,290.00	1,327.20	1,466.00	1,824.00	1,748.00
Equity + Subdebt already infused upto 31.03.2019	648.2	488.2	228	55.8	5.6	0.5
Debt to be drawn down	4,270.00	5,140.00	5,308.80	4,846.00	6,600.00	4,300.00
Debt as on 31.03.2019	2,490.00	1,580.00	-	-	-	-

SIPL Asset Overview

Transaction Assets

9 Projects ⁽¹⁾ (7 Toll + 2 Annuity)	751 km (c. 2,619 lane km)	INR 9.1 Bn FY19 Revenue	INR 7.9 Bn FY19 Cash EBITDA	INR 66.1 Bn ^(2,3) Enterprise Value	INR 25.5 Bn ^(2,3) Equity Value
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Continuing Assets (3 Operational BOT Assets)

MBCPNL 24 Check Posts Balance Concession: 14.4 Years	RPTPL + RHTPL 180 km (719 lanekm) Balance Concession: 16.6 Years	INR 4.1 Bn FY19 Revenue	INR 3.2 Bn FY19 Cash EBITDA	INR 30.2 Bn FY19 Debt	INR 8.4 Bn FY19 Equity invested
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Continuing Assets (11 HAM Assets)

651 km (c. 2,625 lane km)	INR 105 Bn Project Cost	c. INR 4.3 Bn FY19 Equity Invested	8 projects under-construction	Balance 3 projects achieved FC
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Spread across Gujarat, Maharashtra, Rajasthan, Karnataka, Andhra Pradesh, Uttar Pradesh and Uttarakhand

Notes

1. MBHPL is currently held by Sadbhav Engineering Limited, SIPL's parent company
2. includes value for 23% stake of minority shareholder in BHTPL (INR 0.7 Bn) and shareholder loans
3. Subject to certain adjustments in accordance with definitive agreements.



Corporate Information

Board Of Directors



Mr. Shashin V. Patel
Chairman &
Non-Executive Director



Mr. Vasistha C. Patel
Managing Director



Mr. Nitin R. Patel
Non-Executive Director



Mr. Sandip V. Patel
Independent Director



Mr. Atul N. Ruparel
Independent Director



Mr. Arun S. Patel
Independent Director



Mr. Mirat N. Bhadlawala
Independent Director



Mrs. Daksha N. Shah
Independent Director

BOARD COMMITTEES

Audit Committee

Mr. Sandip V. Patel

Chairman

Mr. Arun S. Patel

Member

Mr. Nitin R. Patel

Member

Nomination and Remuneration Committee

Mr. Atul N. Ruparel

Chairman

Mr. Mirat N. Bhadlawala

Member

Mr. Shashin V. Patel

Member

Stakeholders Relationship Committee

Mr. Nitin R. Patel

Chairman

Mr. Vasistha C. Patel

Member

Mr. Arun S. Patel

Member

Mr. Sandip V. Patel

Member

Finance and Investment Committee

Mr. Shashin V. Patel

Chairman

Mr. Vasistha C. Patel

Member

Mr. Nitin R. Patel

Member

Mr. Arun S. Patel

Member

Corporate Social Responsibility Committee

Mr. Vasistha C. Patel

Chairman

Mr. Nitin R. Patel

Member

Mr. Sandip V. Patel

Member

Mr. Atul N. Ruparel

Member

BANKERS

IDBI Bank

Union Bank of India

COMPANY SECRETARY

Mr. Hardik Modi

CHIEF FINANCIAL OFFICER

Mr. Varun Mehta

STATUTORY AUDITORS

M/s. S G D G & Associates LLP

M/s. S R B C & Co. LLP

REGISTERED OFFICE

"Sadbhav House",
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad -
380006.

Web: www.sadbhavinfra.co.in

CIN: L45202GJ2007PLC049808

CORPORATE OFFICE

"Sadbhav", Nr. Havmor
Restaurant, B/h. Navrangpura
Bus Stand, Navrangpura,
Ahmedabad - 380009.

REGISTRAR & TRANSFER AGENTS

M/s. Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai -
400083.





“Challenges are the opportunities to transform the uncharted terrains into the sustainable infrastructure that would provide a strong foundation for the future growth.”

Message From Chairman

Dear Stakeholders,

Sadbhav Infrastructure Project Limited (SIPL), a subsidiary of Sadbhav Engineering Limited (SEL) has been thriving upon its competencies gained over the years since its inception. SIPL has been one of the key contributors in infrastructure sector, dedicated for the nation building and playing an important role in the development, operation and maintenance of highways, roads and other service infrastructure. SIPL is on the verge of completion of entire lifecycle (i.e. Bidding, Financial Closure, Construction, Toll Collection, O&M, Refinancing and selling of stake) of road projects by selling stake in 9 operational assets (MBHPL is currently held by Sadbhav Engineering Limited, SIPL's parent company). Company shall follow the strategy of churning of the assets once the projects have reached mature stage. Economic environment has changed in last year due to various setbacks in the country however your Company has withstand all those hurdles and has emerged much stronger.

SIPL is a listed Company undertaking Built, Operate and Transfer (BOT) Projects in Road and Highways Sector. SIPL has a sound portfolio of 22 projects that consists of 10 BOT (Toll) projects (9 are operational and 1 is partially operational), 1 operational BOT (Annuity) project and 11 Hybrid Annuity Mode (HAM) under construction projects. Total project cost involving the projects (including under construction) is approximately INR 206 Billions. Nine out of 11 operational projects have received credit rating of A- or above.

Moreover, your company has executed share purchase agreements (SPAs) and other ancillary agreements on 1st July, 2019 inter-alia with IndInfravit Trust, an infrastructure investment trust, for the proposed sale of 100% of the equity shares held in 9 subsidiary companies (MBHPL is currently held by Sadbhav Engineering Limited, SIPL's parent company) for an enterprise value of ₹ 66,112 million (including equity value of ₹ 25,462 million). The Proposed Transaction is subject to completion of the conditions precedent and other additional conditions as detailed under the said SPAs. Company has also entered into Right of First Offer (ROFO) agreement with IndInfravit Trust for existing and future operational assets.

Along with completion of the Proposed Transaction, the Company will continue to focus on its core competence of developing new roads. Your Company proposes to utilise the sale proceeds from the Proposed Transaction for bidding on new road projects, injecting equity in the current under-construction projects and to prepay debt.

Your Company has been focusing on training and development of its employees. We have created a cohesive internal culture, provide equal opportunity of growth to all the employees and provide all the perks and remunerations as per the industry standards and statute. Our internal SOPs have been aligned keeping in view safety, health and environment norms. Your Company keeps on increasing efficiency by utilizing advanced technologies. We are committed to make continuous improvements in the bottom line of the company.

Stakeholder engagement with all the stakeholders through various means available is the important aspect of your Company's sustainability strategy. We take feedbacks and use it to make our processes and performance better.

I am thankful to all the shareholders, customers, government authorities, financiers, suppliers, vendors, employees and community at a large for supporting us in serving the nation and excel on it. On behalf of the board of directors, I assure you that your company will keep on traversing on the high performance trajectory and will set new benchmarks of excellence in years to come. I would like to thank the entire team at SIPL for their untiring efforts and persistent commitment to achieve the high goals we have set.

Regards,



Sushin V. Patel
Chairman





“ Journey toward better future is more enthralling than the destination itself.”

Message From Managing Director

Dear Stakeholders,

I am once again delighted to report to you a promising year. During the year, your company has consolidated its operations and has coursed strategic maneuvering.

At standalone level, your Company has reported the Revenue from Operations amounting to ₹ 2,950.27 million as against ₹ 3,377.92 million in the previous year. The Net Profit for the year was ₹ 565.44 million against ₹ 677.40 million reported in the previous year which resulted cash profit of ₹ 844.47 million against ₹ 794.74 million in previous year.

Increase in cash profits is due to increase in revenue from better margin under-construction HAM projects.

The Consolidated Revenue from Operations increased to ₹ 35,479.32 million as against ₹ 22,623.82 million during the previous year. Your Company has achieved consolidated total income from tolling business for the sum of ₹ 11,828.36 million as against ₹ 10,726.45 million in the previous year and generated a cash profit of ₹ 3,068.03 million as against ₹ 2,004.42 million in the previous year. The Consolidated Net Loss after Tax reduced to ₹ 2478.65 million as against ₹ 3379.73 million in previous year. Reduction in finance cost and increase in traffic along with mandated toll rate growth led to increase in cash profits.

Based on the Company's performance and subject to approval of shareholder, the Directors have recommended final dividend @ 3% i.e. ₹ 0.30 (Thirty Paise) per equity shares of ₹ 10/- for Financial year 2018-19 taking the total Dividend @ 5% i.e. ₹ 0.50 (Fifty paise) per Equity Share of ₹ 10/- each (including interim dividend @ 2% i.e. ₹ 0.20 per equity share of ₹ 10/- each already declared by Board of Directors of the Company in 2018) to shareholders of the Company.

Your company has made debt tie-ups for all eleven HAM projects out of which eight projects have received the Appointed Date and three projects are awaiting for Appointed Date.

Overview of Proposed Stake Sale Transaction

Upon completion of the transaction, your Company will receive Purchase consideration of ₹ 25,462 Million for 9 assets, split into listed units (10% of units of IndInfravit) and approx. ₹ 19,000 million in cash.

Your Company will also continue for routine maintenance and major maintenance for an amount of ₹ 40,787 million for remaining concession period.

Your Company will also get Project Management fees (linked to toll collections) and additional upside such as from car compensation from ARRIL, extension of concession period for AJTL and claims from the transaction assets.

Company has entered into a Right of First Offer (ROFO) agreement with IndInfravit for all existing and future operational assets.

Going Forward

With a stable Government at the central level, we expect Government of India to continue its focus on roads and highways segment as we have seen in the last tenure of this Government. MORTH and NHAI are expected to scale up the bidding activity to new highs. We are seeing a dedicated approach from MORTH to increase the reach of electronic toll collections which will lead to fuel and time saving for the commuters.

In the coming years, we would concentrate more on monetization of assets, completion of under-construction projects and deleveraging the debt.

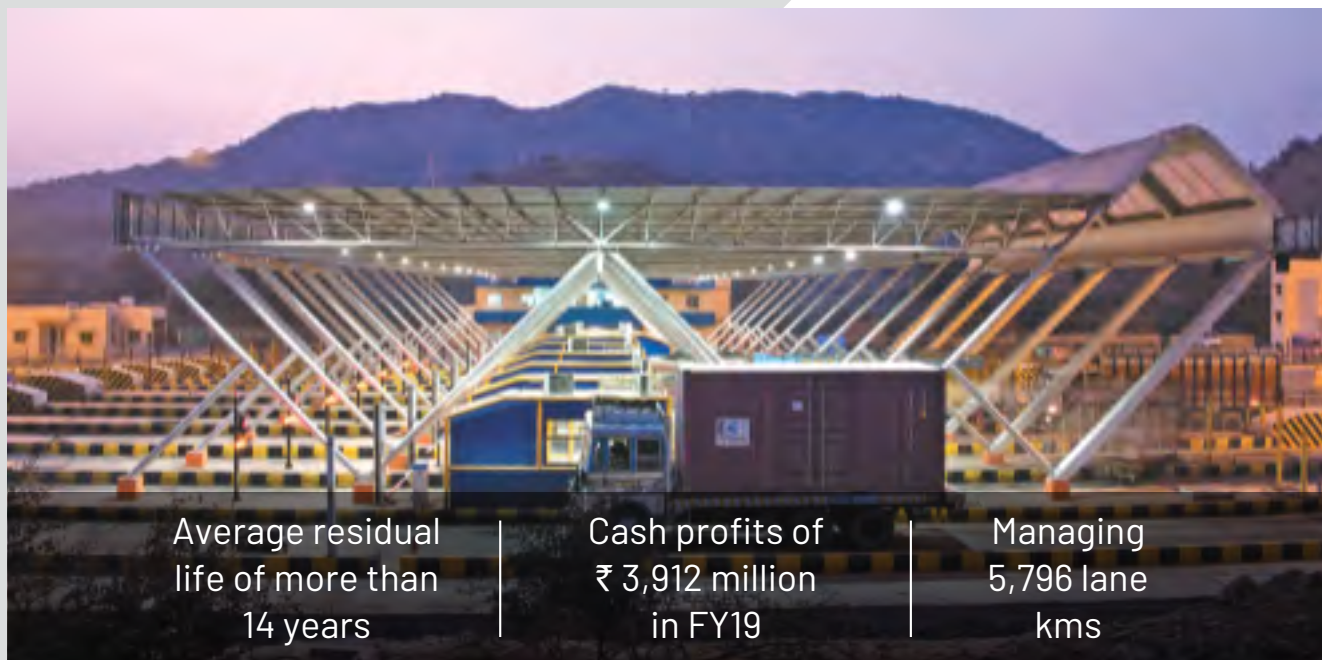
With this, I would like to heartily thank for the support and confidence extended to the Management. I hereby reiterate our resolute commitment to all our shareholders that your Company will relentlessly pursue its goal to deliver you the sustainable returns.

Regards,



Vasistha C. Patel
Managing Director





Average residual
life of more than
14 years

Cash profits of
₹ 3,912 million
in FY19

Managing
5,796 lane
kms

Financial Highlights

(INR in Million)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15
		As per Ind AS			As per IGAAP
Turnover	2,950.27	3,377.92	2854.45	857.97	701.07
Total Income	3,680.16	3,847.50	3137.11	1263.53	1073.05
Depreciation	0.96	4.12	6.88	0.66	1.29
Interest (Finance Cost)	1,748.51	1,634.20	1294.99	1400.02	1037.52
Profit After Tax	565.44	677.40	411.57	10.38	-632.68
Equity Dividend %	0.5%	0.5%	0.00	0.00	0.00
Dividend Payout	176.11	176.11	0.00	0.00	0.00
Equity Share Capital	3,522.25	3,522.25	3522.25	3522.25	3109.63
Other equity	10,851.50	10,497.23	9905.04	8935.98	5326.29
Net worth	14,373.75	14,019.48	13427.29	12458.23	8435.92
Total Assets	34,176.46	31,122.17	27765.40	25019.01	22041.46
Total Debt (Loan Fund)	14732.61	12,376.50	12654.38	11721.23	12763.55
Earning Per Share (in ₹)	1.61	1.92	1.17	0.03	-2.04
Book Value Per Share (in ₹)	40.81	39.80	38.12	35.37	27.13

Notice

NOTICE is hereby given that the 13th Annual General Meeting of SADBHAV INFRASTRUCTURE PROJECT LIMITED will be held on Wednesday, the 25th day of September, 2019 at 11:00 AM at Lions Hall, Near Mithakhali Six Road, Ahmedabad - 380006 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt :
 - (a) the audited Standalone financial statement of the Company for the financial year ended 31st March, 2019, the reports of the Board of Directors and Auditors thereon; and
 - (b) the audited consolidated financial statement of the Company for the financial year ended 31st March, 2019 and the report of Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2018-19.
3. To appoint a Director in place of Mr. Nitin R. Patel (DIN: 00466330), who retires by rotation and being eligible, offers himself for reappointment.
4. To reappoint Joint Statutory Auditors of the Company and fix their remuneration.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. S R B C and Co LLP, Chartered Accountants, Ahmedabad having Firm Registration No. 324982E/E300003, be and is hereby reappointed as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ('AGM') till the conclusion of the 14th AGM to be held in 2020, upon the terms and conditions as set out in the Explanatory Statement annexed to the notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Auditors."

SPECIAL BUSINESS

5. Ratification of Remuneration to Cost Auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. J. B. Mistri & Co., Cost Accountants in Practice having Firm Reg. No. 101067 appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2019-20 amounting to ₹ 25,000/- per annum plus applicable tax and re-imbursalment of out of pocket expenses incurred by them in connection with the aforesaid audit be and is hereby ratified and confirmed."

6. Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution;

"RESOLVED THAT in accordance with the provisions of Section 42, 71, and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 and other applicable SEBI regulations and guidelines, issued, from time to time, the provisions of the Memorandum and Articles of Association of the Company and subject to such other applicable laws, rules, regulations and guidelines, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute to exercise its powers, including

the powers conferred by the Resolution) for making offers or invitations to subscribe to Secured/Unsecured/ Redeemable Non-Convertible Debentures (“NCDs”) including but not limited to subordinated Debentures, bond, and/or other debt securities etc. on a private placement basis in one or more tranches during the period of one year from the date of passing of the Special Resolution by the Members, within the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (the “Board”) or any duly constituted Committee of the Board or such other authority as may be approved by the Board be and is hereby authorized to determine the terms of issue including the class of investors to whom NCDs are to be issued, time, securities to be offered, the numbers of NCDs, tranches, issue price, tenor, interest rate, premium/discount, listing and to do all such acts, things, deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/documents/ undertakings/ agreements/papers/writings, as may be required in this regard.”

7. Re-appointment of Mr. Sandip Patel (DIN: 00449028) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (‘the Act’) read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof] and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, Mr. Sandip Patel (DIN:00449028), who was appointed as an Independent Director of the Company at 9th Annual General Meeting of the Company and holds office up to 4th September, 2019 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a recommendation from Nomination and Remuneration Committee and Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from 5th September, 2019 up to 4th September, 2024.”

8. Re-appointment of Mr. Atul Ruparel (DIN: 00485470) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (‘the Act’) read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof] and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, Mr. Atul Ruparel (DIN: 00485470), who was appointed as an Independent Director of the Company at 9th Annual General Meeting of the Company and holds office up to 21st October, 2019 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a recommendation from Nomination and Remuneration Committee and Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from 22nd October, 2019 up to 21st October, 2024.”

9. Re-appointment of Mr. Arun Patel (DIN: 06365699) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (‘the Act’) read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof] and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, Mr. Arun Patel (DIN: 06365699), who was appointed as an Independent Director of the Company at 9th Annual General Meeting of the Company and holds office up to 21st October, 2019 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a recommendation from Nomination and Remuneration Committee and Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from 22nd October, 2019 up to 21st October, 2024.”

10. Re-appointment of Mr. Mirat Bhadlawala (DIN: 01027984) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (‘the Act’) read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof] and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, Mr. Mirat Bhadlawala (DIN: 01027984), who was appointed as an Independent Director of the Company at 9th Annual General Meeting of the Company and holds office up to 21st October, 2019 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a recommendation from Nomination and Remuneration Committee and Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from 22nd October, 2019 up to 21st October, 2024.”

11. Re-appointment of Mrs. Daksha Shah (DIN: 00376899) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution;

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013 (‘the Act’) read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act [including any statutory modification(s) or re-enactment(s) thereof] and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, Mrs. Daksha Shah (DIN: 00376899), who was appointed as an Independent Director of the Company at 9th Annual General Meeting of the Company and holds office up to 23rd March, 2020 and who being eligible for re-appointment as an Independent Director has given her consent along with a declaration that she meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and in respect of whom the Company has received a recommendation from Nomination and Remuneration Committee and Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term commencing from 24th March, 2020 up to 23rd March, 2025.

Date: 12th August, 2019
Place: Ahmedabad

By Order of the Board of Directors
Sadbhav Infrastructure Project Limited

Registered Office:
“Sadbhav House”, Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad - 380006
CIN: L45202GJ2007PLC049808

Hardik Modi
Company Secretary
Membership No.: F9193

NOTES:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies, in order to be effective, must be received at the Company’s Registered Office not less than 48 hours before the Meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- 2.** Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolutions or Power of attorney authorizing their representative to attend and vote on their behalf at the meeting.
- 3.** The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 in respect of the business under Item Nos. 4 to 11 above is annexed hereto. The relevant details of the Directors seeking re-appointment/appointment under Item No.3 and 7 to 11, pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed.
- 4.** A route map giving directions to reach the venue of the 13th Annual General Meeting is given at the end of the Notice.
- 5.** Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
- 6.** Members seeking any information with regard to accounts of the Company are requested to write to Company at its Registered Office, so as to reach at least 10 days before the date of Meeting to enable Management to keep information ready.

7. Relevant documents referred to in accompanying Notice and Statement are open for inspection by members at Registered office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
8. The Register of Directors & Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be made available for inspection at venue of the meeting by members attending meeting.
9. Book Closure and Dividend
 - i) The Register of Members and Share Transfer Books of the Company will remain closed from, Thursday, 19th September 2019 to Wednesday, 25th September, 2019 (both day inclusive).
 - ii) The Company has fixed Wednesday, 18th September, 2019 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended 31st March, 2019.
 - iii) If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made within stipulated time lines as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on Wednesday, 18th September, 2019;
 - ii. To all Members in respect of shares held in physical form as of the close of business hours on Wednesday, 18th September, 2019.

10. Payment of dividend through electronic means:

- (a) To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company provides the facility to the Members for remittance of dividend directly in their bank accounts through electronic means. The facility is available at all bank branches which have registered themselves as participating banks with National Payment Corporation of India and have joined the Core Banking System. Members holding shares in physical form and desirous of availing this facility are requested to provide their latest bank account details (Core Banking Solutions Enabled Account Number, 9 digit MICR and 11 digit IFS Code), along with their Folio Number, to the Company's Share Registrars and Transfer Agents, Link Intime India Private Limited. Members holding shares in electronic form are requested to provide the details to their respective Depository Participants.
 - (b) Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
- 11. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company or Share Registrars and Transfer Agents, Link Intime India Private Limited for assistance in this matter.**

In terms of SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, it has been mandated the Company/RTA to obtain copy of PAN Card and Bank Account details from all the shareholders holding shares in physical form. Accordingly, shareholders who are holding shares in physical mode are requested to kindly furnish self-attested copy of your PAN card and original cancelled Cheque leaf/Attested Bank Passbook showing the name of Account holder along with an application.

With effective from 1st April, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Therefore, all shareholders who are holding shares in physical mode are requested to kindly dematerialize the equity shares of the Company at the earliest.

- 12. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.sadbhavinfra.co.in (under 'Investors' section). Members are requested to submit the said details to their depository participants ("DPs") in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form.**

13. Unclaimed Dividends

Members are hereby informed that under the Act, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ('the Fund') established by the Central Government.

Members are also requested to note that, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (as amended) ('IEPF Rules'), the Company is also obliged to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to the Demat Account of the IEPF Authority notified by the Ministry of Corporate Affairs ('IEPF Demat Account').

In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

14. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to the Members the facility to exercise their right to vote at the 13th Annual General Meeting ('AGM') by electronic means and the business may be transacted through the e-voting services provided by Central Depository Services (India) Ltd. (CDSL). The members may cast their votes using an electronic voting system from place other than the venue of the Meeting ('remote e-voting'). In addition, the facility of voting through Ballot Paper shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM.

The procedure and instructions for voting through electronic means are as follows:

SECTION A - E-VOTING PROCESS

- (i) The shareholders should log on to the e-voting website www.evotingindia.com
- (ii) Click on Shareholders.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is printed on attendance slip.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (x) Click on the EVSN of Sadbhav Infrastructure Project Limited.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also use Mobile app - “m - Voting” for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).
- (xviii) Note for Non - Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

SECTION B - COMMENCEMENT OF E-VOTING PERIOD AND OTHER E-VOTING INSTRUCTIONS

- i. A member may exercise his/her vote at any general meeting by electronic means and the business may be transacted through such voting. Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
- ii. The facility for voting, either through electronic voting system or polling paper, as may be decided by Chairman of the meeting, shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- iii. The remote e-voting period commences on Sunday, 22nd September, 2019 (9:00 a.m. IST) and ends on, Tuesday, 24th September, 2019 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 18th September, 2019 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently or cast vote again.
- iv. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.

- v. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evotingindia.com.
 - vi. Mr. Ravi Kapoor, Practice Company Secretary, Proprietor of M/s. Ravi Kapoor & Associates (M. No.: FCS 2587; CP No: 2407) (Shaival Plaza, 4th Floor, Gujarat College Road, Ellisbridge, Ahmedabad: 380006) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Board has also authorised Chairman to appoint one or more scrutinizers in addition to and/or in place of Mr. Ravi Kapoor.
 - vii. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
 - viii. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sadbhavinfra.co.in and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.
 - ix. The resolutions shall be deemed to be passed on the date of the Annual General Meeting, subject to receipt of requisite number of votes.
 - x. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
 - xi. In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com
- 15.** Electronic copy of Annual Report 2018-19 is being sent to all the members whose email-ID are registered with the Company/Depository Participant(s) for communication purposes unless any member has required for hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2018-19 is being sent in the permitted mode. Members may also note that the notice of the 13th Annual General Meeting and Annual Report for 2018-19 will also be available on the company's website www.sadbhavinfra.co.in for their download. The physical copies of the aforesaid documents will also be available at the registered office of the company during office hours on all working days between 12.00 noon to 2.00 p.m., except Saturday, Sunday and holidays.

Details of Directors Seeking Re-Appointment at the Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further, the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India requires certain additional disclosures with respect to appointment of Independent Director]

Director	Mr. Nitin R. Patel	Mr. Sandip Patel	Mr. Atul Ruparel	Mr. Arun S. Patel	Mr. Mirat Bhadlawala	Mrs. Daksha Shah
Date of Birth	4 th August, 1968	2 nd August, 1977	16 th November, 1967	15 th July, 1946	7 th March, 1974	8 th May, 1945
Date of Appointment	18 th September, 2010	5 th September, 2014	22 nd October, 2014	22 nd October, 2014	22 nd October, 2014	24 th March, 2015.
Disclosures of relationship between Directors inter-se	N.A	N.A	N.A	N.A	N.A	N.A
Functional Expertise	Finance and Accounts, Audit, Taxation, Project Bidding and Execution, Cost Analysis	Taxation, Corporate Laws, Finance & Accounts	Finance and Accounts, Audit, Taxation, Management Consultancy, Tax Planning, Project Financing	Taxation, Corporate Laws, Finance & Accounts	More than 26 years experience in areas of boost of Procurement, Negotiation, Contract Management, Marketing and Business Strategy	Having more than 26 years experience in Micro-Finance Sector
Qualifications	B. Com. A.C.A.	B. Com., A.C.A., DISA (ICA)	B. Com. F.C.A.	B. Com. F.C.A.	B. Com	B.A., M.B.A (IIMA)
Directorship in other Companies	<ol style="list-style-type: none"> Sadbhav Engineering Limited Maharashtra Border Check Post Network Limited Bijapur-Hungund Tollway Private Limited Mysore-Bellary Highway Private Limited Dhule Palesner Tollway Limited Nagpur-Seoni Express Way Limited Sadbhav Nainital Highway Private Limited Sadbhav Jodhpur Ring Road Private Limited 	<ol style="list-style-type: none"> Sadbhav Engineering Limited Sadbhav Bangalore Highway Private Limited Sadbhav Rudrapur Highway Private Limited Dhule Palesner Tollway Limited Sadbhav Nainital Highway Private Limited Sadbhav Bhavnagar Highway Private Limited Sadbhav Una Highway Private Limited Sadbhav Vidarbha Highway Private Limited 	<ol style="list-style-type: none"> Sadbhav Engineering Limited Shreenathji-Udaipur Tollway Private Limited Ahmedabad Ring Road Infrastructure Limited Hyderabad-Yadgiri Tollway Private Limited Rohtak-Hissar Tollway Private Limited Mysore-Bellary Highway Private Limited Sadbhav Rudrapur Highway Private Limited Sadbhav Nainital Highway Private Limited 	<ol style="list-style-type: none"> Sadbhav Engineering Limited Maharashtra Border Check Post Network Limited Shreenathji-Udaipur Tollway Private Limited Sadbhav Udaipur Highway Private Limited Ahmedabad Ring Road Infrastructure Limited Aurangabad - Jalna Toll Way Limited Nagpur - Seoni Express Way Limited Bijapur-Hungund Tollway Private Limited 	<ol style="list-style-type: none"> Sadbhav Engineering Limited Rohtak-Panipat Tollway Private Limited Aurangabad - Jalna Toll Way Limited Hyderabad-Yadgiri Tollway Private Limited Bhilwara-Rajsamand Tollway Private Limited Rohtak-Hissar Tollway Private Limited Mysore-Bellary Highway Private Limited Dhule Palesner Tollway Limited 	<ol style="list-style-type: none"> Nagpur - Seoni Express Way Limited Altura Financial Services Limited Saline Area Vitalisation Enterprise Limited Mass Financial Services Limited

	9. Sadbhav Hybrid Annuity Projects Limited		9. Kutchh Gujarat Finstock Limited 10.Steps Corporate Services Private Limited	9. Bhilwara-Rajsamand Tollway Private Limited	9. Maharashtra Border Check Post Network Limited	
Chairman/ Member of Committee in other Companies	1. Sadbhav Engineering Limited-Audit Committee & Stakeholders' Relationship Committee (Member) 2. Maharashtra Border Check Post Network Limited-Audit Committee (Member) 3. Bijapur-Hungund Tollway Private Limited-Audit Committee (Member) 4. Mysore-Bellary Highway Private Limited-Audit Committee (Member)	1. Sadbhav Engineering Limited-Audit Committee (Chairman)	1. Sadbhav Engineering Limited-Audit Committee (Member) 2. Mysore-Bellary Highway Private Limited-Audit Committee (Chairman)	1. Sadbhav Engineering Limited-Audit Committee (Member) 2. Maharashtra Border Check Post Network Limited-Audit Committee (Member) 3. Nagpur - Seoni Express Way Limited-Audit Committee (Chairman) 4. Nagpur - Seoni Express Way Limited-Stakeholders Relationship Committee (Member) 5. Bijapur-Hungund Tollway Private Limited-Audit Committee (Member)	1. Sadbhav Engineering Limited-Stakeholders Relationship Committee (Chairman) 2. Mysore-Bellary Highway Private Limited-Audit Committee (Member) 3. Maharashtra Border Check Post Network Limited -Audit Committee (Member)	1. Nagpur - Seoni Express Way Limited (Audit Committee – Member) 2. Nagpur - Seoni Express Way Limited-Stakeholders Relationship Committee (Chairperson)
No. of Equity Shares held in the Company	1,91,806 Equity Shares (Including held by HUF)	2,030 Equity Shares (Including held by HUF)	Nil	1,885 Equity Shares	Nil	Nil

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Ordinary business: Item No. 4

Considering the requirements of Section 139 (2) of the Companies Act, 2013 read with rules made thereunder and on recommendation of Audit Committee and Board of Directors, M/s. S R B C and Co LLP, Chartered Accountants, Ahmedabad having Firm Registration No. 324982E/E300003 is proposed to be re-appointed as a Joint Statutory Auditors of the Company to hold office for the period of One year from the conclusion of this 13th Annual General Meeting (AGM) until the conclusion of the 14th AGM to be held in the calendar year 2020 at remuneration of ₹ 9,90,000 excluding applicable tax.

The Board of Directors will have liberty to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Auditors.

M/s. S R B C and Co LLP, Chartered Accountants, Ahmedabad have given consent to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the said resolution.

Special business:

Item No. 5

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. J. B. Mistri & Co, Cost Accountant in Practice (Firm Reg. No. 101067), to conduct the audit of the cost records maintained by the Company for the financial year 2019-20.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2019-20 as set out in the resolution.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

Item No. 6

As per provisions of Section 42, 71 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of the Company by a Special Resolution for each of the offers or invitations. However, in case of offer or invitation for “non-convertible debentures”, it shall be sufficient if the company passes a previous Special Resolution only once in a year for all the offer(s) or invitation(s) for such debentures during the year.

Accordingly, the Shareholders of the Company had passed a Special Resolution at the last (12th) Annual General Meeting (AGM) of the Company held on 27th September, 2018, to raise funds through Private Placement of Secured/Unsecured Non-Convertible and/ or other Debt Securities by way of issue of secured/ unsecured non-convertible debentures of the Company, in one or more tranches, to such person or persons, who may or may not be the debenture holders of the Company, within the overall market borrowing programme of the Company. However, the above approval of shareholders is valid only upto 26th September, 2019. In order to facilitate raising of funds thereafter and in line with the aforesaid statutory provisions, it is necessary to pass a Special Resolution at this Annual General Meeting for raising of funds through private placement of secured / unsecured non-convertible debentures and/ or other Debt Securities during a period of one year from the date of passing of this resolution.

Further, the Board of Directors of the Company (the “Board”) or any Committee duly constituted by the Board or such other authority as may be approved by the Board, shall be authorized to determine the terms of the issue, including the class of investors to whom the debentures are to be allotted, the number of debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of debenture holders, listing, issuing any declaration/undertaking etc. required to be included in the Private Placement Offer documents and to do and execute all such acts, deeds and things under any other regulatory requirement for the time being in force.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, either financially or otherwise, in the resolution.

The Board of Directors recommends the resolution mentioned in Item no. 6 of the notice for approval of members.

Item No. 7 to 11

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of following Directors as Independent Directors, not liable to retire by rotation, for a second term of five years as mentioned below subject to approval of the Members.

Name of Independent Directors	Second Term as Independent Director
Mr. Sandip Patel (DIN: 00449028)	5 th September, 2019 up to 4 th September, 2024
Mr. Atul Ruparel (DIN: 00485470)	22 nd October, 2019 up to 21 st October, 2024
Mr. Arun Patel (DIN: 06365699)	22 nd October, 2019 up to 21 st October, 2024
Mr. Mirat Bhadlawala (DIN: 01027984)	22 nd October, 2019 up to 21 st October, 2024
Mrs. Daksha Shah (DIN: 00376899)	24 th March, 2020 up to 23 rd March, 2025

The Company has, in terms of Section 160(1) of the Companies Act, 2013 received in writing a notice from Members, proposing their candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given their background, experience and contribution, the continued association of Independent Directors would be beneficial to the Company and it is desirable to continue to avail services from above mentioned Independent Directors.

The Company has received a declaration from above mentioned Independent Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, they had confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

Independent Directors have also confirmed that they are not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated 20th June, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. Further, Above mentioned Independent Directors are not disqualified from being appointed as Director in terms of Section 164 of the Act and has given their consent to act as Director.

In the opinion of the Board, they fulfill the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Directors and are independent of the management of the Company.

As per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, notified on 9th May, 2018, approval of the shareholders by way of a special resolution is required for continuation of directorship of the non-executive directors of the Company who have attained the age of 75 years. Independent and Non-executive Directors, Mr. Arun S. Patel has completed 73 years and Mrs. Daksha Shah has completed 74 years on 1st April, 2019. Since, both Directors are considered for re-appointment for further 5 years and they will attain the age of 75 years during their upcoming tenure, Company is required to get approval of the shareholders by way of a special resolution.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their re-appointment are available for inspection by the Members at the Registered Office of the Company during the business hours (except on Saturdays and Sundays) and will also be kept available at the venue of the AGM till the conclusion of the AGM. Brief profile of Directors are as follows.

Mr. Sandip Patel is B. Com., A.C.A., DISA (ICA). He is also an IBBI Registered Valuer for SFA. He has been an Independent & Non-Executive Director of Sadbhav Infrastructure Project Limited since 4th September, 2014 and he has been an Independent Non-Executive Director of Sadbhav Engineering, Ltd. since 27th June, 2006. He is a practicing Chartered Accountant and has a vast experience in taxation, audit including statutory audit of companies and financial institutions, revenue audit of nationalized banks, audit of stockbroking houses and DP. He has also experience in management consultancy, business valuation, structuring international transactions, developing internal control systems, cost planning and project financing, raising funds for working capital requirements etc. He has also the experience of consulting and representing before authorities in respect of direct taxation for domestic and international client. He has worked as a committee member of the Ahmedabad branch of Western Regional Council of ICAI.

Mr. Atul Ruparel is B.Com. and F.C.A. He has been an Independent & Non- Executive Director of Sadbhav Infrastructure Project Limited since 22nd October, 2014 and he has been an Independent Non-Executive Director of Sadbhav Engineering, Ltd. since 23rd October, 2008. He is associated with A.N. Ruparel & Co. He holds a Bachelors Degree in Commerce from Saurashtra University. He is a Practicing Chartered Accountant having more than 18 years of experience in the field of audit, taxation, finance and consultancy which consists of Statutory and Internal Audits, Management Consultancy, Tax Planning, Project Financing etc.

Mr. Arun Patel is B.Com. and F.C.A. He has been an Independent & Non- Executive Director of Sadbhav Infrastructure Project Limited since 22nd October, 2014 and he has been an Independent Non-Executive Director of Sadbhav Engineering, Ltd. since 27th June, 2006. He is Practicing Chartered Accountant having more than 24 years of experience. His functional expertise is in audit, taxation, accounts and finance.

Mr. Mirat N Bhadlawala is a Commerce Graduate from H.A College of Commerce. Mr. Bhadlawala expertise in areas of Procurement, Negotiation, Contract Management, Marketing and Business Strategy, Project Planning, Business Development and Strategy. Mr. Bhadlawala comes from a diverse background which initiated from him hailing from a robust family background who had an association with Royal Dutch Shell Group of Companies established in India for more than 50 years. However, Mr. Bhadlawala was determined to accomplish all his endeavors by treading on his own path. He has an experience of working with public sector oil marketing companies as well as private sector big players in India and East Africa. He was on board with Tiki Tar Group of Industries, India's largest private sector Bitumen Value added products manufacturing company on Pan India basis. Along with this, he was also Associated closely with various multinationals and Indian research and development agencies for development of sustainable road infrastructure.

Mr. Bhadlawala is already heading the Group Business Development of GP Global Group (Formerly known as Gulf Petrochem Group), a UAE based company operating in the downstream and midstream sectors of the oil and energy industry and contributes to his maximum potential to Organisation with six divisions in Oil Trading and Bunkering, Oil Refining, Grease Manufacturing, Oil Terminals, Bitumen Manufacturing, and Shipping and Logistics and Soft Commodities, with offices in more than 15 countries,

GP Global Group is a multi-billion dollar global energy conglomerate business that rapidly catalyse economic growth by supporting clients in existing markets while unlocking potential in new geographies and actively contributes to organisation to his maximum potential.

The brief resume of the aforesaid directors is part of the notice of the meeting. All incumbents are in good physical condition and of sound and alert mind and the Board is confident about them being able to function and discharge their duties in an able and competent manner. Considering their seniority, expertise and vast experience in their respective fields, which has benefited the Company immensely, the Board recommends their continuation as directors till their current terms end.

Mrs. Daksha Shah is B.A., M.B.A (IIMA). She is a renowned figure in the microfinance sector with over 26 years of experience in this field. She is an individual driven with the zeal to work for and amidst people to bring around a change in their daily living conditions. Touched by the poverty prevailing in society, she was inspired to take a path that could impact lives and bring about a change in the society. She has been associated with several renowned institutions. As founder promoter, Mrs. Daksha Shah started Pahal Financial Services Pvt. Ltd., an NBFC-MFI, and served as Managing Director for 4 years. Her passion to contribute towards women empowerment and nurturing infant organisations. Mrs. Shah has performed appraisals for over 70 institutions in her career and she continues to support emerging MFIs to streamline their business model. At present, Mrs. Shah is Managing Director of Altura Financial Services Ltd which has existence in 6 States of India.

The brief resume of the aforesaid directors is part of the notice of the meeting. All incumbents are in good physical condition and of sound and alert mind and the Board is confident about them being able to function and discharge their duties in an able and competent manner. Considering their seniority, expertise and vast experience in their respective fields, which has benefited the Company immensely, the Board recommends their continuation as directors till their current terms end.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of above mentioned Independent Directors are now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 7 to 11 of this Notice for approval of the Members.

Except above mentioned Independent Directors and their relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 7 to 11 of the Notice.

Date: 12th August, 2019
Place: Ahmedabad

By Order of the Board of Directors
Sadbhav Infrastructure Project Limited

Registered Office:
"Sadbhav House",
Opp. Law Garden Police Chowki,
Ellisbridge, Ahmedabad – 380006
CIN: L45202GJ2007PLC049808

Hardik Modi
Company Secretary
Membership No.: F9193

Directors' Report

To,
The Members,

Your Directors have pleasure in submitting their 13th Annual Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS

The Group's financial performances for the year under review along with previous year's figures are given hereunder: (₹ in Million)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	2950.27	3,377.92	32479.32	22,623.82
Other Income	729.89	469.58	1820.44	600.98
Total Revenue	3680.16	3,847.50	37299.76	23,224.80
Profit Before Taxation	935.55	1,046.11	(2406.22)	(2,972.22)
Tax Expense	370.11	368.71	607.00	407.51
Profit/(Loss) for the period after tax and minority interest	565.44	677.40	(2452.73)	(3,290.37)
Other comprehensive income	0.37	(0.01)	(1.44)	1.37
Total comprehensive income (after tax)	565.81	677.39	(2454.17)	(3,289.00)

DIVIDEND

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a final dividend @ 3% i.e. ₹ 0.30 (Thirty Paise) per equity shares of ₹ 10/- for Financial year 2018-19 taking the total Dividend @ 5% i.e. ₹ 0.50 (Fifty paise) per Equity Share of ₹ 10/- each (including interim dividend @ 2% i.e. ₹ 0.20 per equity share of ₹ 10/- each already declared by Board of Directors of the Company on 14th November, 2018) to shareholders of the Company. If the dividend, as recommended above, is declared by the Members at the Annual General Meeting ('AGM'), the total outflow towards dividend on Equity Shares for the year would be ₹ 17.61 crores (excluding dividend tax).

DIVIDEND DISTRIBUTION POLICY

Securities and Exchange Board of India ('SEBI'), by its notification dated 8th July, 2016, has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), introducing new Regulation 43A mandating the top 500 listed entities, based on market capitalization calculated as on 31st March of every financial year, to formulate a Dividend Distribution Policy and disclose the same in their Annual Reports and on their websites.

Accordingly, the Board of the Company has adopted a Dividend Distribution Policy, which is available on the website of the Company.

RESERVES

Company does not propose to carry any amount to any Reserve Account.

SHARE CAPITAL

The paid up Equity Share Capital as at 31st March, 2019 is ₹ 352,22,52,160/-. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. The Company has no scheme of provision of money for purchase of its own shares by employees or by trustees for the benefit of employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

DEBENTURES

- (i) The Company has issued on private placement and allotted, Listed Non-convertible Debentures (NCDs) of face value of Rs. 10,00,000/- (Rupees Ten Lakh) each, aggregating ₹ 170 crore during the financial year 2018-19. The funds raised through issuance of NCDs have been utilised for refinancing of debt and long-term working capital/sub-debt investment in Subsidiaries/step-down Subsidiaries and repayment of debt taken from SADBHAV Engineering Limited (Holding Company) to the extent of ₹ 55 Crores.
- (ii) The Company has issued on private placement and allotted, Unlisted Non-convertible Debentures (NCDs) of face value of ₹ 10,00,000/- (Rupees Ten Lakh) each, aggregating ₹ 190 crore during the financial year 2018-19. The funds raised through issuance of NCDs have been utilised for refinancing of debt and long-term working capital/sub-debt investment in Subsidiaries/step-down Subsidiaries..

REVIEW OF BUSINESS OPERATIONS AND FUTURE PROSPECTS

During the year, Company reported at standalone level, the Revenue from Operations amounting to ₹ 2,950.27 million as against ₹ 3,377.92 million in the previous year. The Net Profit reported for the year was ₹ 565.44 million against ₹ 677.40 million as per previous year which resulted cash profit of ₹ 844.47 million against ₹ 794.74 million in previous year. The Consolidated Revenue from Operations increased to ₹ 32,479.32 million as against ₹ 22,623.82 million in the previous year. Your Company has achieved consolidated total income from tolling business for amount of ₹ 11,828.36 million as against ₹ 10,726.45 million in the previous year and generated a cash profits of ₹ 2,004.42 million as against ₹ 3,068.03 million in the previous year.

CORPORATE GOVERNANCE

The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on corporate governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, along with the certificate from the Practicing Company Secretary confirming the compliance, is annexed and forms part of this Annual Report.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There are no material changes in the nature of business during the year.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitment if any affecting the financial position of the company occurred between the ends of the financial year to which this financial statements relate and the date of the report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

RISK MANAGEMENT

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks.

Although not mandatory, as a measure of good governance, the Company has constituted a Risk Management Committee of the Board. The Committee reviews the Company's performance against identified risks, formulates strategies towards identifying new and emergent risks that may materially affect the Company's overall risk exposure and reviews the Risk Management Policy and structure.

This robust Risk Management framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage.

The Company has adopted a Risk Management Policy, pursuant to Section 134 of the Act.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS.

The Company has appropriate internal control systems for business processes with regard to its operations, financial reporting and compliance with applicable laws and regulations. It has documented policies and procedures covering financial and operating functions and processes. These policies and procedures are updated from time to time and compliance is monitored by the internal audit function as per the audit plan. The Company continues its efforts to align all its processes and controls with best practices.

Details of the internal controls system are given in the Management Discussion and Analysis Report, which forms part of the Board's Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Changes in Directors and Key Managerial Personnel

Pursuant to Section 152 of the Companies Act, 2013, Mr. Nitin R. Patel (DIN: 00466330), Director of the Company, retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

There were no other changes in Key Managerial Personnel during the year.

ii) Declaration by an Independent Director(s)

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulation 16 (1) (b) of the Listing Regulations. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

iii) Procedure for Nomination and Appointment of Directors:

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidate's vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

iv) Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/she meets with the criteria for 'Independent Director' as laid down in the Act and Regulation 16 (1) (b) of the Listing Regulations.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

v) Annual Evaluation of Board Performance and Performance of its Committees and of Directors:

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissent, recording of minutes and dissemination of information; functions of the Board, including strategy and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfillment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and management.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director.

Directors were evaluated on aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/ support to management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Areas on which the Committees of the Board were assessed included mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole. The NRC also reviewed the performance of the Board, its Committees and of the Directors.

The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

NOMINATION AND REMUNERATION POLICY

The Company has adopted a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and the Listing Regulations. The philosophy for remuneration of Directors, Key Managerial Personnel and all other employees of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The Nomination and Remuneration Committee has considered following factors while formulating Policy:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company.

Details of the Remuneration Policy are given in the Corporate Governance Report.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The annual financial statements of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information at any time.

The Company has adopted a Policy for determining Material Subsidiaries in terms of Regulation 16 (1) (c) of Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website.

The consolidated financial results reflect the operations of the following subsidiaries.

Sr. No.	Name of Company	CIN/GLN	Address of The Company	Holding/ Subsidiary / Associate
1	Ahmedabad Ring Road Infrastructure Limited	U45203GJ2006PLC048981	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned Subsidiary Company
2	Aurangabad-Jalna Tollway Limited	U45203GJ2007PLC049814	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned Subsidiary Company
3	Bijapur-Hungund Tollway Private Limited	U45203GJ2010PTC059669	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
4	Bhilwara-Rajsamand Tollway Private Limited	U45203GJ2012PTC072902	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
5	Dhule Palesner Tollway Limited *	U45203MH2009PLC191222	701,7th Floor, "C" Wing, Godrej Coliseum, B/h Everard Nagar, Sion (East) Mumbai - 400022	Wholly owned subsidiary Company
6	Hyderabad Yadgiri Tollway Private Limited	U45203GJ2010PTC059262	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned Subsidiary Company
7	Maharashtra Border Check Post Network Limited	U45201GJ2009PLC056327	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Subsidiary Company
8	Nagpur-Seoni Expressway Limited	U45203GJ2007PLC049963	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company

9	Rohtak Hissar Tollway Private Limited	U45203GJ2013PTC074446	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
10	Rohtak Panipat Tollway Private Limited	U45202GJ2010PTC059322	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
11	Shreenathji-Udaipur Tollway Private Limited	U45201GJ2012PTC069676	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
12	Sadbhav Nainital Highway Private Limited	U45309GJ2016PTC091777	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
13	Sadbhav Rudrapur Highway Private Limited	U45203GJ2016PTC091774	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
14	Sadbhav Bhavnagar Highway Private Limited	U45309GJ2016PTC092557	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
15	Sadbhav Una Highway Private Limited	U45500GJ2016PTC092589	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
16	Sadbhav Bangalore Highway Private Limited	U45202GJ2016PTC094257	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
17	Sadbhav Vidarbha Highway Private Limited	U45500GJ2017PTC097040	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
18	Sadbhav Udaipur Highway Private Limited	U45309GJ2017PTC097508	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
19	Sadbhav Jodhpur Ring Road Private Limited	U45309GJ2018PTC100367	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
20	Sadbhav Tumkur Highway Private Limited	U45309GJ2018PTC101396	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
21	Sadbhav Bhimasar Bhuj Highway Private Limited	U45309GJ2018PTC101821	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
22	Sadbhav Kim Expressway Private Limited	U45309GJ2018PTC101800	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
23	Sadbhav Vizag Port Road Private Limited	U45309GJ2018PTC101832	"Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380006.	Wholly owned subsidiary Company
24	Sadbhav Hybrid Annuity Projects Limited	U45500DL2018PLC335787	Block No. J-59, Ground Floor, SAKET, New Delhi: 110017	Wholly owned subsidiary Company

* Pursuant to acquisition of 100% stake in Dhule Palesner Tollway Limited from Sadbhav Engineering Limited, Hindustan Construction Company Limited and John Laing Investment Limited, as at the date of this report, 100 shares each of Sadbhav Engineering Limited, Hindustan Construction Company Limited and John Laing Investment Limited are pending for transfer due to pending approval from NHAI.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules made thereunder and pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing the salient features of financial statement of subsidiaries, joint ventures and associates in Form AOC-1 attached as Annexure-1 which forms part of this Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The provisions of Section 186 of the Companies Act, 2013, with respect to a loan, guarantee or security is not applicable to the Company as the Company is engaged in providing infrastructural facilities which is exempted under Section 186 of the Companies Act, 2013. The details of investment made during the year under review are disclosed in the financial statements.

DEPOSITS

During the year under review, your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on 31st March, 2019, there were no deposits which were unpaid or unclaimed and due for repayment.

INSURANCE

All properties and insurable interests of the company to the extent required have been adequately insured.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were in the ordinary course of business and on an arm's length basis. A detailed report on material contracts and arrangements made during the year 2018-19, being arm's length transactions have been reported and annexed hereto in Form AOC-2 as Annexure - 2 and forms part of this report.

There are no materially significant related party transactions made by the company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the company at large. The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website at the web link: <http://www.sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>

NUMBER OF MEETINGS OF THE BOARD

During the year, Seven (7) board meetings were convened and held. Details of board meetings and committee meeting are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

COMMITTEES OF BOARD

Committee Meetings to be held during the year was circulated in advance to the Directors.

The Board has constituted an Audit Committee with Mr. Sandip V. Patel as Chairman and Mr. Arun S. Patel and Mr. Nitin R. Patel, as Members. There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

Details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2018-19.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures;
- (ii) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (iii) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they had prepared the annual accounts on a going concern basis;
- (v) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF).

The provisions of Section 125(2) of the Act do not apply as there was no unclaimed and unpaid dividend or any other amount which require transferring to Investor Education and Protection Fund (IEPF).

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a company's sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods. The Company believes in conducting its business responsibly, fairly and in utmost transparent manner. It continually seeks ways to bring about an overall positive impact on the society and environment where it operates and as apart of its social objectives. This policy has been formally formulated and adopted in terms of Section 135 of the Act and Rules framed thereunder to undertake CSR activities.

The Board has constituted a Corporate Social Responsibility Committee headed by Mr. Vasistha C. Patel as Chairman and Mr. Nitin R. Patel, Mr. Sandip V. Patel, and Mr. Atul N. Ruparel as Members of the Committee.

The responsibilities of the CSR Committee include:

- i. Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken.
- ii. Recommending the amount of expenditure for the CSR activities.
- iii. Monitoring CSR activities from time to time.

In view of the net average loss under review, your Company was not required to spend any amount towards the CSR activities, as per the applicable provisions of Section 135 of the Act. Accordingly, the details of the CSR activities during the year under review are not provided in this Report. The Report on CSR activities is attached as Annexure-3.

BUSINESS RESPONSIBILITY REPORTING

As per Regulation 34 (2) (f) of the Listing Regulations, (corresponding to provisions of Clause 55 of the Listing Agreement), listed companies shall submit, as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, social and governance perspective, in the prescribed format. This provision is applicable to top 500 listed companies based on market capitalization as on 31st March, 2019. The Business Responsibility Report of the Company for the financial year ended on March 31, 2019 has been provided separately and forming part of the Annual Report.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

Pursuant to provision of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Complaint Redressal Committee has been constituted with Mrs. Purvi Parikh as Chairman, Mrs. Janki Shah as Presiding Officer, Ms. Rutva Shah as Member, Ms. Stuti Kinariwala as Member, Mr. Ashok Menon as Member, Mr. Nitin R. Patel as Member and Mr. Bhadrash K. Soneji as Member.

The Company has not received any complaint of sexual harassment during the financial year 2018-19 and No meeting of Complaint Redressal Committee was held during the year.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has made complaint under Vigil Mechanism/ Whistle Blower Mechanism.

FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report. The same is also uploaded on the Company's website.

AUDITORS

(i) Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. S R B C & CO. LLP, Chartered Accountants, Ahmedabad having Firm Registration No. 324982E/E300003 were appointed as Statutory Auditors of the Company from conclusion of the 8th Annual General Meeting (AGM) of the Company till the conclusion of the 13th AGM to be held in the year 2019 subject to ratification of their appointment at every AGM.

As M/s. S R B C & CO. LLP, have completed total term of 5 years as Statutory Auditor, it is required to re-appoint as Statutory Auditor for One year. Further, Company has received consent from M/s., M/s. S R B C & CO. LLP, Chartered Accountants.

Accordingly, it was proposed to recommend to the members, the re-appointment of M/s. S R B C & CO. LLP, Chartered Accountants, Ahmedabad as Statutory Auditors of the Company for the period of One year from the conclusion of 13th Annual General Meeting of the Company till the conclusion of 14th Annual General Meeting of the Company to be held in the year 2020.

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. S G D G & Associates LLP, Chartered Accountants, Ahmedabad (S G D G) (Firm Registration No. W100188) from conclusion of 12th AGM held in the year 2018 till the conclusion of the 17th AGM to be held in the year 2023.

The Ministry of Corporate Affairs vide its Notification dated 7th May, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, approval of the Members for the ratification of Auditors' appointment is not being sought at the ensuing Annual General Meeting.

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31st March, 2019. The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

(ii) Cost Auditors

The company has received a letter from the cost auditors M/s. J B Mistri & Co., Cost Accountants in Practice having Firm Reg. No. 101067 to the effect that their appointment, if made, would be within the prescribed limits under section 141(3) (g) of the Companies Act, 2013 and that they are not disqualified for appointment.

The board of directors of the company has appointed M/s. J B Mistri & Co. & Associates, Cost Accountants as the cost auditors of the Company to conduct the audit of cost records maintained by the Company as required by the Companies (Cost Records and Audit) Rules 2014 as amended from time to time. The Cost Audit Report for the year 2017-2018 was filed with the Ministry of Corporate Affairs. The members are requested to ratify the remuneration to be paid to the cost auditors of the company.

(iii) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Ashish Shah & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the year ended 31st March, 2019. The Secretarial Audit Report is annexed as Annexure-4.

There are no qualifications, reservations or adverse remarks made by Secretarial Auditor in his report.

SECRETARIAL STANDARDS OF ICSI

The Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the Central Government.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT.9 is annexed as Annexure-5.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
2. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
3. The Managing Director of the Company has not received any commission from the Company and not disqualified from receiving any remuneration or commission from any of subsidiaries of the Company.
4. No fraud has been reported by the Auditors to the Audit Committee or the Board.
5. There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no earning and expenditure in the foreign currency.

Since the Company does not have any manufacturing activities, the other particulars required to be provided in terms of Section 134(3)(m) of the Companies Act, 2013 are not applicable.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 (12) of the Act and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided separately as Annexure-6 to this Report.

Details of employee remuneration as required under provisions of Section 197(12) of the Act and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available at the registered office of the Company during working hours, pursuant to the provisions of the first provision to Section 136(1) of the Act and any member interested in obtaining such information may write to the Company Secretary and the same will be made available to any such member on request.

ACKNOWLEDGEMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year and look forward to their continued support in future. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors

Date: 27th May, 2019
Place: Ahmedabad

Shashin V. Patel
Chairman
DIN: 00048328

Annexure - 2

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Not Applicable, as there are no contracts or arrangements or transactions entered into with related party which are not at arm's length basis.

(a) Name(s) of the related party and nature of relationship:

(b) Nature of contracts/arrangements/transactions:

(c) Duration of the contracts/arrangements/transactions:

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:.

(e) Justification for entering into such contracts or arrangements or transactions:

(f) Date(s) of approval by the Board:

(g) Amount paid as advances, if any:

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of the Related Party	Nature of Relationship	Nature of transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any: ₹ In Million	Date(s) of approval by the Board	Amount Paid / Received in advance
1	Sadbhav Engineering Limited	Holding Company	Providing or rendering services	2018-19	345.95	N.A.	Nil
2	Sadbhav Engineering Limited	Holding Company	Payment of Rent to holding company	2018-19	0.90	N.A.	Nil

Note:

All above transactions have been entered in the ordinary course of business and arm's length basis, hence approval of Board is not required under Section 188 of the Companies Act, 2013.

For and on behalf of the Board of Directors

Date: 27th May, 2019
Place: Ahmedabad

Shashin V. Patel
Chairman
DIN: 00048328

Annexure - 3 Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

Company recognizes that as a responsible corporate entity its functions and operations have an impact on society and on the environment. In addition to ensuring that operations are conducted efficiently and in a manner that meets governmental environmental standards, the Company is committed in ensuring that the communities where it operates also benefits and develops together.

Company with an intention to actively participate in the development of the communities where projects are located, has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and is placed on the website of the Company at <http://www.sadbhavinfra.co.in/en/pdf/corporate-social-responsibility-policy.pdf>.

2. The Composition of the CSR Committee:

Mr. Vasistha C. Patel	-	Chairman and Member
Mr. Nitin R. Patel	-	Member
Mr. Sandip V. Patel	-	Member
Mr. Atul N. Ruparel	-	Member

3. Average net profit/(loss) of the company for last three financial years: ₹ 302.51 Million

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 6.05 Million

5. Details of CSR spent during the financial year:

- (a) Total amount to be spent for the financial year: ₹ 6.05 Million
- (b) Amount unspent, if any: ₹ 6.05 Million
- (c) Manner in which the amount spent during the financial year is detailed below: NIL

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report: Education is believed to be the stepping-stone to improve the quality of life, especially for the poor and the most vulnerable. The ideology behind "Education" lies in the very essence of transforming lives through continuous generation of knowledge and empowerment. The Company is under process of identifying education institutions, trusts etc. which fall under the overall policy of the group and would take necessary steps for formulating implementation plan and taking various approvals, if required in this regard very shortly.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company: The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For, Sadbhav Infrastructure Project Limited

Vasistha C. Patel
Chairman of CSR Committee and Managing Director
DIN: 0004834

Shashin V. Patel
Director
DIN: 00048328

Date: 27th May, 2019
Place: Ahmedabad

Annexure - 4

Form No. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sadbhav Infrastructure Project Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sadbhav Infrastructure Project Limited (herein after referred to as "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Sadbhav Infrastructure Project Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sadbhav Infrastructure Project Limited ("the Company") for the financial year ended on 31st March, 2019 verified the provisions of the following acts and regulations and also their applicability as far as the Company is concerned during the period under audit:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992, ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) There are no laws which are specifically applicable to the Company.

We have also examined compliance with applicable clauses of the following

1. Secretarial Standards issued by the Institute of Company Secretaries of India.
2. Provisions SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, wherever applicable to the Company.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per records available in the said minutes there were no dissenting views expressed by any directors during the meetings.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For, Ashish Shah & Associates

Ashish Shah

Company Secretary in practice
FCS No.: 5974 • C P No.: 4178

Date: 27th May, 2019

Place: Ahmedabad

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure - A

To,
The Members,
Sadbhav Infrastructure Project Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, Ashish Shah & Associates

Ashish Shah

Company Secretary in practice
FCS No.: 5974 • C P No.: 4178

Date: 27th May, 2019

Place: Ahmedabad

Annexure - 5

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 & Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	L45202GJ2007PLC049808
Registration Date	18 th January, 2007
Name of the Company	Sadbhav Infrastructure Project Limited
Category / Sub-Category of the Company	Public Company / Limited by Shares
Address of Registered Office and Contact Details	“Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006 Tel: 079-26463384; Fax: 079-26400210 Email: investor@sadbhavinfra.co.in Website: www.sadbhavinfra.co.in
Whether listed company	Yes
Name, Address and Contact Details of Registrar & Transfer Agent (RTA), if any	M/s. Link Intime India Private Limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Tel: 022-49186000; Fax: 022-49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name and description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services	42101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Aurangabad - Jalna Tollway Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2007PLC049814	Subsidiary	100%	2(87)
2	Ahmedabad Ring Road Infrastructure Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2006PLC048981	Subsidiary	100%	2(87)
3	Bijapur-Hungund Tollway Private Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2010PTC059669	Subsidiary	77%	2(87)
4	Bhilwara-Rajsamand Tollway Private Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2012PTC072902	Subsidiary	100%	2(87)
5	Dhule Palesner Tollway Limited 701, 7 th Floor, “C” Wing, Godrej Coliseum, B/h Everard Nagar, Sion (East), Mumbai-400022	U45203MH2009PLC191222	Subsidiary	99.99%	2(87)
6	Hyderabad-Yadgiri Tollway Private Limited “Sadbhav House”, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2010PTC059262	Subsidiary	100%	2(87)

7	Maharashtra Border Check Post Network Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45201GJ2009PLC056327	Subsidiary	87%	2(87)
8	Nagpur – Seoni Expressway Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2007PLC049963	Subsidiary	99.99%	2(87)
9	Rohtak-Hissar Tollway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2013PTC074446	Subsidiary	100%	2(87)
10	Rohtak-Panipat Tollway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45202GJ2010PTC059322	Subsidiary	100%	2(87)
11	Sadbhav Bangalore Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45202GJ2016PTC094257	Subsidiary	100%	2(87)
12	Sadbhav Bhavnagar Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2016PTC092557	Subsidiary	100%	2(87)
13	Sadbhav Engineering Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	L45400GJ1988PLC011322	Holding	Nil	2(46)
14	Sadbhav Nainital Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2016PTC091777	Subsidiary	100%	2(87)
15	Sadbhav Rudrapur Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45203GJ2016PTC091774	Subsidiary	100%	2(87)
16	Sadbhav Una Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45500GJ2016PTC092589	Subsidiary	100%	2(87)
17	Shreenathij-Udaipur Tollway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45201GJ2012PTC069676	Subsidiary	100%	2(87)
18	Sadbhav Jodhpur Ring Road Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2018PTC100367	Subsidiary	100%	2(87)
19	Sadbhav Vidarbha Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45500GJ2017PTC097040	Subsidiary	100%	2(87)
20	Sadbhav Udaipur Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2017PTC097508	Subsidiary	100%	2(87)
21	Sadbhav Tumkur Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2018PTC101396	Subsidiary	100%	2(87)
22	Sadbhav Bhimasar Bhuj Highway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2018PTC101821	Subsidiary	100%	2(87)
23	Sadbhav Vizag Port Road Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2018PTC101832	Subsidiary	100%	2(87)
24	Sadbhav Kim Expressway Private Limited "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad-380006	U45309GJ2018PTC101800	Subsidiary	100%	2(87)
25	Sadbhav Hybrid Annuity Projects Limited Block No. J -59, Ground Floor Saket New Delhi- 110017	U45500DL2018PLC335787	Subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY) AS ON 31ST MARCH, 2019

A) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year as on 31-March-2018				No. of Shares held at the end of the year as on 31-March-2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2027484	-	2027484	0.58	2027484	-	2027484	0.58	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	242223427	-	242223427	68.77	243213577	-	243213577	69.05	0.28
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):	244250911	-	244250911	69.35	245241061	-	245241061	69.63	0.28
(2) Foreign									
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
(b) Other- Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter(A)= (A)(1)+(A)(2)	244250911	-	244250911	69.35	245241061	-	245241061	69.63	0.28
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	21732782	-	21732782	6.17	20049082	-	20049082	5.69	(0.48)
b) Banks / FI	120458	-	120458	0.03	75	-	75	0.00	(0.03)
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Foreign Portfolio Investors	38620388	-	38620388	10.96	40092719	-	40092719	11.38	0.42
Sub-total (B)(1):	60473628	-	60473628	17.13	60141876	-	60141876	17.07	(0.09)
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	6682535	-	6682535	1.90	6542825	-	6542825	1.86	(0.04)
ii) Overseas	29121860	-	29121860	8.27	29121860	-	29121860	8.27	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	3380424	13	3380437	0.96	2929188	-	2929188	0.83	(0.13)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	6775675	-	6775675	1.92	6890153	-	6890153	1.96	0.04
c) Others(specify)									
Hindu Undivided Family	537746	-	537746	0.15	571191	-	571191	0.16	0.01

NRI (Non Repat)	34680	-	34680	0.01	194518	-	194518	0.05	0.04
NRI (Repat)	523229	-	523229	0.15	60952	-	60952	0.017	(0.133)
Clearing Member	444515	-	444515	0.13	93914	-	93914	0.03	0.10
Trusts	-	-	-	-	434728	-	434728	0.12	0.12
NBFCs registered with RBI	-	-	-	-	2950	-	2950	0.00	-
Sub-total (B)(2):-	47500664	13	47500677	13.49	46842279	-	46842279	13.30	(0.19)
Total Public Shareholding (B)=(B)(1)+(B)(2)	107974292	13	107974305	30.65	106984155	-	106984155	30.37	(0.28)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	352225203	13	352225216	100.00	352225203	13	352225216	100.00	-

B) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Sadbhav Engineering Limited	242223427	68.76	10.00	243213577	69.05	27.75	0.28
Patel Vishnubhai Mafatlal	1213374	0.34	-	0	0	-	(0.34)
Shashin Vishnubhai Patel	814110	0.23	-	814110	0.23	-	-
Shantaben Vishnubhai Patel	-	-	-	1213374	0.34	-	0.34
Total	244030911	69.33	10.00	245241061	69.62	27.75	

C. Change in Promoters' shareholding

For Each of the Promoters	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Sadbhav Engineering Limited	242223427	68.76	13-04-2018	Purchase of Shares	15987	0.0045	242239414	68.77
			20-04-2018	Purchase of Shares	78358	0.0222	242317772	68.79
			27-04-2018	Purchase of Shares	7439	0.0021	242325211	68.79
			18-05-2018	Purchase of Shares	71480	0.0203	242396691	68.81
			25-05-2018	Purchase of Shares	294502	0.0836	242691193	68.90
			06-07-2018	Purchase of Shares	15819	0.0045	242707012	68.90
			13-07-2018	Purchase of Shares	19346	0.0055	242726358	68.91
			20-07-2018	Purchase of Shares	413474	0.1174	243139832	69.02
			27-07-2018	Purchase of Shares	20270	0.0058	243160102	69.03
			03-08-2018	Purchase of Shares	11598	0.0033	243171700	69.03
			12-10-2018	Purchase of Shares	38377	0.0109	243210077	69.04
19-10-2018	Purchase of Shares	3500	0.0010	243213577	69.05			
31-03-2019	At the end of the year	-	-	243213577	69.05			
Vishnubhai M. Patel	1213374	0.34	04-01-2019	Transmission	(1100110)	-	113264	0.032
			15-02-2019	Transmission	(113264)	-	0	0.00
			31-03-2019	At the end of the year	-	-	-	-
Shashin V. Patel	814110	0.23	31-03-2019	At the end of the year	-	-	814110	0.23
Shantaben V. Patel	-	-	04-01-2019	Transmission	1100110	-	1100110	0.3123
			22-02-2019	Transmission	113264	-	1213374	0.3445
			31-03-2019	At the end of the year	-	-	1213374	0.3445

D) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Norwest Venture Partners Vii-A-Mauritius	29121860	8.27	31-03-2019	At the end of the year	29121860	8.27	29121860	8.27
HDFC Trustee Company Limited-HDFC Tax Saver Fund	7810326	2.22	06-04-2018	Sale of Shares	-500000	0.14	7310326	2.08
			11-05-2018	Sale of Shares	-1000000	0.28	6310326	1.79
			25-05-2018	Sale of Shares	-500000	0.14	5810326	1.65
			15-06-2018	Sale of Shares	-268000	0.08	5542326	1.57
			20-07-2018	Sale of Shares	-52157	0.01	5490169	1.56
			03-08-2018	Sale of Shares	-737943	0.21	4752226	1.35
			31-03-2019	At the end of the year	-	-	4752226	1.35
Nomura India Investment Fund Mother Fund	26255995	7.45	31-03-2019	At the end of the year	-	-	26255995	7.45
Tata Mutual Fund-Tata Infrastructure Fund	2126425	0.60	06-04-2018	Sale of Shares	-250000	0.07	1876425	0.53
			18-05-2018	Sale of Shares	-750000	0.21	1126425	0.32
			29-09-2018	Sale of Shares	-33000	0.01	1093425	0.31
			29-03-2019	Sale of Shares	-12500	0.00	1080925	0.31
			31-03-2019	At the end of the year	-	-	1080925	0.31
LTS Investment Fund Limited*	2634375	0.75	31-03-2019	At the end of the year	-	-	2634375	0.75
Reliance Capital Trustee Co Ltd A/C-Reliance Regular Savings Fund-Balanced Option	11796031	3.35	06-04-2018	Purchase of Shares	750000	0.21	12546031	3.56
			18-05-2018	Purchase of Shares	1000000	0.28	13546031	3.85
			25-05-2018	Purchase of Shares	590000	0.16	14136031	4.01
			15-06-2018	Sale of Shares	-140000	0.04	13996031	3.97
			22-06-2018	Purchase of Shares	140000	0.04	14136031	4.01
			30-06-2018	Purchase of Shares	20000	0.01	14156031	4.02
			06-07-2018	Purchase of Shares	9900	0.00	14165931	4.02
			12-10-2018	Purchase of Shares	50000	0.02	14215931	4.04
Nomura Funds Ireland Public Limited Company-Nomura Funds Ireland - India Equity Fund	3699233	1.05	18-05-2018	Purchase of Shares	632139	0.18	4331372	1.23
			15-06-2018	Purchase of Shares	268057	0.08	4599429	1.30
			31-03-2019	At the end of the year	-	-	4599429	1.30
Hsbc Global Investment Funds - Indian Equity	3350520	0.95	31-03-2019	At the end of the year	-	-	3350520	0.95
Hsbc Indian Equity Mother Fund	1160996	0.33	31-03-2019	At the end of the year	-	-	1160996	0.33
ICICI Prudential Life Insurance Company Limited*	1619801	0.46	31-03-2019	At the end of the year	-	-	1619801	0.46

* Not in the list of Top 10 shareholders as on 1st April, 2018. The same is shown above since the shareholder was one of the Top 10 shareholders as on 31st March, 2019.

Shareholding of above top ten shareholders have been consolidated based on PAN.

E) Shareholding of Directors and Key Managerial Personnel (KMP)

For Each Directors and KMP	Shareholding at the beginning of the year		Date	Reason	Increase/Decrease in shareholding		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Vasistha C. Patel	440000	0.12	-	-	-	-	440000	0.12
			31-03-2019	At the end of the year	-	-	440000	0.12
Shashin V. Patel	814110	0.23	-	-	-	-	814110	0.23
			31-03-2019	At the end of the year	-	-	814110	0.23
Nitin R. Patel	1811	0.00	-	-	-	-	1811	0.00
			31-03-2019	At the end of the year	-	-	1811	0.00
Arun S. Patel	1885	0.00	-	-	-	-	1885	0.00
			31-03-2019	At the end of the year	-	-	1885	0.00
Atul N. Ruparel	0	0.00	-	-	-	-	0	0.00
			31-03-2019	At the end of the year	-	-	0	0.00
Mirat N. Bhadlawala	0	0.00	-	-	-	-	0	0.00
			31-03-2019	At the end of the year	-	-	0	0.00
Sandip V. Patel	1885	0.00	-	-	-	-	1885	0.00
			31-03-2019	At the end of the year	-	-	1885	0.00
Daksha N. Shah	0	0.00	-	-	-	-	0	0.00
			31-03-2019	At the end of the year	-	-	0	0.00
Varun M. Mehta (CFO)	0	0.00	-	-	-	-	0	0.00
			31-03-2019	At the end of the year	-	-	0	0.00
Hardik J. Modi (CS)	0	0.00	-	-	-	-	0	0.00
			31-03-2019	At the end of the year	-	-	0	0.00

V) INDEBTEDNESS - indebtedness of the company including interest outstanding/accrued but not due for payment (₹ in Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year including				
i) Principal Amount	7,724.32	5,932.18	-	13,656.50
ii) Interest due but not paid	-	581.19	-	581.19
iii) Interest accrued but not due	1,294.45	-	-	1,294.45
Total (i+ii+iii)	9,018.77	6,513.37	-	15,532.14
Change in Indebtedness during the financial year				
*Addition	4,578.40	6,765.08	-	11,343.48
*Reduction	(3,214.30)	(5,278.56)	-	(8,493.16)
Net Change	1,364.10	1,486.22	-	2,850.32
Indebtedness at the end of the financial year				
i) Principal Amount	8,920.00	7,432.61	-	16,352.61
ii) Interest due but not paid	-	566.98	-	566.98
iii) Interest accrued but not due	1,462.87	-	-	1,462.87
Total (i+ii+iii)	10,382.87	7,999.59	-	18,382.46

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Million)

Sr. No.	Particulars of Remuneration	Mr. Vasistha C. Patel Managing Director	Total Amount
1	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3.00	3.00
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- others, specify....	-	-
5	Others, (please specify) Leave Encashment	0.25	0.25
	Total (A)	3.25	3.25
	Ceiling as per the Act	As per Part II of Schedule V of the Companies Act, 2013	

B. Remuneration to other Directors

(i) Independent Directors

(₹ in Million)

Particulars of Remuneration	Mr. Sandip V. Patel	Mr. Arun S. Patel	Mr. Atul N. Ruparel	Mr. Mirat N. Bhadlawala	Mrs. Daksha N. Shah	Total
(a) Fee for attending Board and Committee meetings	0.075	0.075	0.06	0.045	0.09	0.345
(b) Commission	-	-	-	-	-	-
(c) Other, please specify	-	-	-	-	-	-
Total (i)	0.075	0.075	0.06	0.045	0.09	0.345

(ii) Other Non-Executive Directors

(₹ in Million)

Particulars of Remuneration	Mr. Shashin V. Patel	Mr. Nitin R. Patel	Total
(a) Fee for attending Board and Committee meetings	0.06	0.09	0.150
(b) Commission	-	-	-
(c) Other, please specify	-	-	-
Total (ii)	0.06	0.09	0.150
Total (i) + (ii)	0.06	0.09	0.150

C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Million)

Sr. No.	Particulars of Remuneration	Mr. Varun M. Mehta Chief Financial Officer	Mr. Hardik J. Modi Company Secretary	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	3.93	0.73	4.66
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify....	-	-	-
5	Others, please specify			
	- Gratuity	-	-	-
	Total (A)	3.93	0.73	4.66

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

 Date: 27th May, 2019
 Place: Ahmedabad

Shashin V. Patel
 Chairman
 DIN: 00048328

Annexure - 6

**Detail sunder Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- A. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2018-19:**

Name of Directors	Designation	Ratio of remuneration of the Directors to the median remuneration of the employees	% increase in remuneration in the financial year
Mr. Vasistha C. Patel	Managing Director	90:1	NIL

The percentage increase in remuneration of the Chief Financial Officer is 10% and of the Company Secretary is 8%.

- B.** The percentage increase in the median remuneration of employees in the financial year 2018-19: 11%
- C.** There were 37 employees on the rolls of Company as on March 31, 2019
- D.** Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 8.68% whereas the increase in the managerial remuneration for the same financial year was 9%. Comparison of the remuneration of the Key Managerial Personnel against the performance.
- E.** It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

Annexure - 7

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2018-19

Section A: General Information about the Company

1.	Corporate Identity Number(CIN)	L45202GJ2007PLC049808	
2.	Name of the Company	Sadbhav Infrastructure Project Limited	
3.	Registered Address	Sadbhav House, Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad - 380006	
4.	Website	www.sadbhavinfra.co.in	
5.	E-mailid	investor@sadbhavinfra.co.in	
6.	Financial Year reported	2018-19	
7.	Sector(s) that the Company is engaged in (industrial activity code wise)	Industrial Group	Description
		42101	Development, construction as well as operations & maintenance of Infrastructure projects and related consulting and advisory services.
8.	List three key product/services that the Company manufactures/provides(as in balance sheet)	Development, operation and maintenance of national and state highways and roads in several states in India.	
9.	Total number of locations where business activity is undertaken by the Company: i. Number of International Locations ii. Number of National Locations	NIL	
		Presently Company executes various projects across 8 states in India	
10.	Markets served by the Company (Local/State/National/International)	Company executed projects across various states in India.	

Section B: Financial Details of the Company

1	Paid up capital (INR)	₹ 3522.25 Million
2	Total turnover (INR)	₹ 2,950.27 Million
3	Total Profit after taxes (INR)	₹ 565.44 Million
4	Total Profit after taxes and other Comprehensive income (INR)	₹ 565.81 Million
5	Total Spending on CSR as percentage of profit After tax (%)	Nil
6	List of activities in which expenditure in 4 above has been incurred	Not incurred

Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?	Business Responsibility initiatives of the parent company are applicable to the subsidiary companies to the extent that they are material in relation to the business activities of the subsidiaries.
3	Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30- 60%, More than 60%]	No other entity / entities participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director/Directors responsible for BR:

a) Details of the Director/Directors responsible for implementation of the BR Policy/Policies:

Directors Identification Number (DIN)	00048328
Name	Mr. Shashin V. Patel
Designation	Chairman

b) Details of the BR Head:

Sr. No.	Particulars	Details
1	DIN (if applicable)	00466330
2	Name	Mr. Nitin R. Patel
3	Designation	Director
4	Telephone Number	+91 79 40400400
5	E mail Id	investor@sadbhavinfra.co.in

2. Principle-wise (as per NVGs) BR Policy/Policies:

a) Details of compliance (Reply in Y/N)

Sr. No	Questions	Business Ethics	Product Life Responsibility	Employee Well-being	Stakeholder Engagement	Human Rights	Environment	Policy Advocacy	Inclusive Growth	Customer - Value
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	All the policies are compliant with respective principles of NVG Guidelines.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	-	Y	Y	Y	Y	-	-	-
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://www.sadbhavinfra.co.in/en/about.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 Months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR:

a	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Director periodically assesses the BR performance of the Company.
b	Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?	In line with the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVG), company will publish Business Responsibility Report (BRR) Annually.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability:

1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?	The Company has adopted a Code of Conduct for its Directors and Senior Management. Additionally, the Policy on Code of Conduct for Employees applies to all employees of Group companies. These do not extend to other entities.
2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	Nil

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and /or opportunities.	Development, operation and maintenance of national and state highways and roads in several states in India.
2	For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional): a. Reduction during sourcing / production / distribution achieved since the previous year through the value chain: b. Reduction during usage by consumers (energy, water) achieved since the previous year?	Not applicable. Not applicable. Company is not in business of manufacturing of goods or consumable products.

3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	As part of sourcing strategy, our priority is to source local raw materials for construction of Roads and Toll Plazas. Moreover, we strive to design and construct sustainable Projects which incorporate conservation measures, continuous monitoring of environment and use of resources that are environment friendly, adoption of green technologies and deployment of fuel efficient plants and machineries. Invariably, construction material like sand and aggregates are procured locally eliminating unnecessary transportation. While, it may not be possible to procure Bitumen Steel and Cement locally, in such cases only, the nearest source is explored for procurement.
4	Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	We always engage local contractors in the vicinity of our projects for supply of goods and services like housekeeping services, security, accommodation and provide mess facilities for staff. In addition, employment to local youth is provided in various functions in our Project / Toll offices and Toll plazas. Our regular interaction with the vendors and educating them the standards of quality required by us and their importance helps to enhance their approach and understanding of support functions. Apart from this, at the project sites, steps undertaken to award small / petty contracts to locals pertaining to job work, equipment supply, supplies, manpower, etc. thereby building the capability / capability at local level.
5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as 10%). Also, provide details thereof, in about 50 words or so.	Recycling the product is not applicable as consumable goods and the associated packing material is not applicable.

Principle 3: Business should promote the well being of all employees

1	Please indicate total number of employees	37
2	Please indicate total number of employees hired on temporary / contractual / casual basis	8
3	Please indicate the number of permanent women employees	1
4	Please indicate the number of permanent employees with disabilities	Nil
5	Do you have an employee association that is recognized by the Management?	No
6	What percentage of permanent employees is members of this recognized employee association?	N.A
7	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	No complaints
8	What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?	A. Permanent employees : 73% B. Permanent women employees : 100% C. Casual / Temporary / Contractual employee : 32% D. Employees with disabilities : N/A

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized:

1	Has the company mapped its internal and external stakeholders? Yes/No	Yes, Stakeholders of the company have been mapped through a formal process of consultations at all operations. The Company's key stakeholders include employees, suppliers, business partners, regulatory agencies and especially local communities around its sites of operations.
2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?	Yes, the Company has identified the disadvantaged, vulnerable and the marginalized sections within the local communities around its sites of operations.
3	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.	As and when circumstances occur.

Principle 5: Business should respect and promote human rights:

1	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	Yes. Policy on human rights covers employees of the company as well as employees of the subsidiaries.
2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	Nil

Principle 6: Business should respect, protect, and make effort to restore the environment

1	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.	Yes, it extends to Company as well as subsidiaries.
2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming etc? Y/N. If yes, please give hyper-link for webpage etc.	No, the Company does not have any project globally.
3	Does the Company identify and assess potential environmental risks? Y/N	Yes
4	Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyper link for web page etc.	No
6	Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes. Complied with.
7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on the end of Financial Year.	Nil

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1	Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.	No
2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)	We have been suggesting changes in policies to remove bottlenecks impacting the growth of infrastructure in the country and simplification of arbitration policies.

Principle 8: Business should support inclusive growth and equitable development

1	Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. Company has a well drafted CSR Policy in line with Section 135 and Schedule VII of the Companies Act, 2013.
2	Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/government structures/any other organization?	N.A
3	Have you done any impact assessment of your initiative?	No
4	What is the Company's direct contribution to community development projects - Amount in INR and details of the projects undertaken?	No
5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	No

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1	What percentage of customer complaints/consumer cases are pending as on the end of financial year.	Nil
2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	N.A
3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4	Did your Company carry out any consumer survey / consumer satisfaction trends?	No

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of highest level of transparency, integrity, equity, openness, fairness and accountability in all faces of its functioning and its interactions with stake holders. To create a culture of corporate governance, the company has adopted practices such as constitution of various Board Committees for effective internal control system, adequate and timely compliance, fair representation of professionally qualified, non-executive and independent directors on the Board, disclosure of material information, effective management control, etc. The company is committed to achieve good corporate governance for betterment of sustainable growth and enhancement of stakeholders' value. So far as compliance with the requirement of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is concerned, Company has complied with all the mandatory norms and disclosures that have to be made on Corporate Governance front.

2. BOARD OF DIRECTORS

A. Composition of Board:

In compliance with the code of Corporate Governance, the composition of Board of Directors comprised of both Executive and Non-Executive Directors including Independent Directors. As on March 31, 2019, the Board comprised of eight directors which include one Executive Director and seven Non-Executive Directors including five Independent Directors (including one woman Director). Non-Executive and Independent Directors have expert knowledge in the fields of finance, taxation, accounts, audit, legal and industry. Thus the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise to the Company and which enable them to effectively contribute to the Company in their capacity as Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31st March, 2019 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he/she is a Director. For the purpose of determination of limit of the Board Committees, chairmanship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

During FY 2019, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

None of the Directors hold office in more than 20 companies and in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than 8 listed companies.

Further, none of the Independent Directors ('ID') served as ID in more than 7 listed companies. The Managing Directors did not serve as an Independent Director in any listed company.

The composition of Board of Directors as on 31st March, 2019 is as under.

Name	Designation	Category	No. of Equity Shares held	No. of Directorship held in other Public Limited Companies	No. of Committee Membership in other companies [#]	No. of Committee Chairmanship in other companies [#]	Directorship in other listed entity (Category of Directorship)
Mr. Vasistha C. Patel (DIN: 00048324)	Managing Director	Executive Director	440000	9	2	0	1. Sadbhav Engineering Limited (Executive Director)

Mr. Shashin V. Patel (DIN: 00048328)	Chairman & Non-Executive Director	Promoter, Non-Executive Director	814110	8	0	0	1. Sadbhav Engineering Limited (Chairman & Managing Director)
							2. Nagpur- Seoni Express Way Limited (Debt Listed) (Non- Independent, Non- Executive)
Mr. Nitin R. Patel (DIN: 00466330)	Director	Non- Independent, Non-Executive Director	191806	9	8	1	1. Sadbhav Engineering Limited (Executive Director)
							2. Nagpur- Seoni Express Way Limited (Debt Listed) (Non- Independent, Non- Executive)
Mr. Sandip V. Patel (DIN: 00449028)	Director	Independent, Non-Executive Director	2030	8	2	2	1. Sadbhav Engineering Limited (Independent Director, Non- Executive)
Mr. Mirat N. Bhadlawala (DIN: 01027984)	Director	Independent, Non-Executive Director	Nil	9	1	2	1. Sadbhav Engineering Limited (Independent Director, Non- Executive)
Mr. Arun S. Patel (DIN: 06365699)	Director	Independent, Non-Executive Director	1885	9	6	1	1. Sadbhav Engineering Limited (Independent Director, Non- Executive)
							2. Nagpur- Seoni Express Way Limited (Debt Listed) (Independent Director, Non- Executive)
Mr. Atul N. Ruparel (DIN: 00485470)	Director	Independent, Non-Executive Director	Nil	8	1	1	1. Sadbhav Engineering Limited (Independent Director, Non- Executive)

Mrs. Daksha N. Shah (DIN: 00376899)	Director	Independent, Non-Executive Director	Nil	2	1	1	1. Nagpur-Seoni Express Way Limited (Debt Listed) (Independent Director, Non- Executive) 2. Mas Financial Services Ltd. (Independent Director, Non- Executive)
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Only Audit Committee and the Stakeholders' Relationship Committee of Indian Public Limited Companies (excluding Sadbhav Infrastructure Project Limited) have been considered for committee position.

* Mr. Vasistha Patel and Mr. Shashin Patel are brother-in-laws. Except this, none of the other Directors are related to any other on the Board in terms of definition of 'relative' as per Companies Act, 2013.

B. Board Meeting And Procedure:

The Board meets at least once in a quarter and the maximum time gap between any two meetings is not more than four months. During the year under review, 7 (Seven) Board Meetings were held on 8th May, 2018, 6th June, 2018, 22nd June, 2018, 8th August, 2018, 5th November, 2018, 14th November, 2018 and 12th February, 2019. The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, business plans, annual budgets, projects and capital expenditure, compliance with applicable laws and regulations.

The meetings of the Board of Directors are scheduled well in advance. The Company Secretary, in consultation with Managing Director and other Directors, prepares detailed agenda for the meetings. Directors are also free to bring up any matter for discussion at the Board Meetings with the permission of the Chairman. The draft minutes of the meeting approved by the Chairman is circulated to all the Directors within fifteen days after the conclusion of the meetings.

Attendance at Board meetings and Annual General Meeting (AGM)

Name	No. of Board Meetings held	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Vasistha C. Patel	7	6	Yes
Mr. Shashin V. Patel	7	5	Yes
Mr. Nitin R. Patel	7	7	Yes
Mr. Sandip Patel	7	6	Yes
Mr. Mirat N. Bhadlawala	7	4	No
Mr. Arun S. Patel	7	6	Yes
Mr. Atul N. Ruparel	7	5	Yes
Mrs. Daksha N. Shah	7	7	No

C. Evaluation of Board Performance:

During the year, the Board in consultation with Nomination and Remuneration Committee, has adopted a formal mechanism to lay down the evaluation criteria for the performance of the Chairman, the Board, the Committees and Executive/Non-Executive/Independent Directors, excluding the Director being evaluated. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board and Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgment, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and of the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation on different criteria, which reflected the overall engagement of the Board and its Committees with the Company.

D. Separate Meeting of Independent Directors:

During the year under review, in compliance with the requirements of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 read with Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors of the Company, without attendance of Non-Independent Directors and members of management, was held on 8th February, 2019, wherein, the Independent Directors:

1. Reviewed the performance of Non-Independent Directors;
2. Reviewed the performance of Board as a whole;
3. Reviewed the performance of Chairman of the Company;
4. Assessed the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

E. Familiarization Programme for Independent Directors:

The Company familiarized its Independent Directors with the Corporate Structure of the group, nature of the industry in which Company operates, business model of the Company, project details, toll income and financials, etc. through familiarization programme held on 8th February, 2019. The detailed familiarization programme for Independent Directors is available on the website of the company at <http://www.sadbhavinfra.co.in/en/pdf/familiarization-programme-for-independent-directors-2017-18.pdf>

F. Board membership criteria

The Company inducts eminent individual from diverse fields as directors on its Board. The nomination and remuneration committee works with the entire Board to determine the appropriate characteristics, skills and experience required for the Board as a whole and for individual members. Members are expected to possess the required qualifications, integrity, expertise and experience for the position. They should also possess deep expertise and insights in sectors/ areas relevant to the Company, and ability to contribute to the Company's growth.

G. Skills, Expertise and Competencies of the Board

The Board of Directors has, based on the recommendations of the Nomination and Remuneration Committee ('NRC'), identified the following core skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

- a) Leadership experience in managing companies and associations including general management.
- b) Industry experience including its entire value chain and indepth experience in corporate strategy and planning
- c) Expertise in the field of Infrastructure
- d) Experience in finance, tax, risk management, legal, compliance and corporate governance
- e) Experience in human resources and communication
- f) Relevant experience and knowledge in the matters of Safety and Corporate Social Responsibility including environment, sustainability, community and values

The Board as a whole possesses the identified skills, expertise and competencies as are required in the context of business of the Company

3. COMMITTEES OF THE BOARD

The Board has following Committees as on 31st March, 2019:

- (1) Audit Committee
- (2) Nomination and Remuneration Committee
- (3) Stakeholder' Relationship Committee
- (4) Finance and Investment Committee
- (5) Corporate Social Responsibility Committee
- (6) Risk Management Committee

The terms of reference of the Board Committees are determined by the Board from time to time. The Board is responsible for constituting, re-constituting, assigning and co-opting the members of the Committees.

A. Audit Committee

I. Terms of Reference:

The Audit Committee functions in accordance with Section 177 of the Act, Regulation 18 of the Listing Regulations and its Charter adopted by the Board. During the year under review, the Audit Committee Charter was amended to align the role of the Committee with amendments to the Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015. The terms of reference of the Audit Committee, inter alia, includes:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the Statutory Auditor of the Company and fixation of audit fee;
- Reviewing and monitoring the Statutory Auditor's independence and performance and effectiveness of audit process;
- Approving payments to Statutory Auditors for any other services rendered by them;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval;
- Reviewing with the management, the quarterly, half yearly and annual financial statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issued and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of funds raised through the proposed offer by the Company.
- Approval or any subsequent modifications of transactions of the Company with related parties;
- Scrutinizing of inter-corporate loans and investments;
- Valuing of undertakings or assets of the Company, wherever it is necessary;
- Evaluating of internal financial controls and risk management system;
- Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances
- Reviewing with the management, the performance of Statutory and Internal Auditors and adequacy of internal control system;
- Reviewing the adequacy of internal audit function if any, including the structure of internal audit department, reporting structure coverage and frequency of internal audit;
- Discussing with Internal Auditors on any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with the Statutory Auditors before the audit commences about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
- Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors;
- Approving the appointment of the Chief Financial Officer or any other person handling the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

II. Composition and Attendance:

The Company has independent Audit Committee, constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Committee are financially literate. The Company Secretary acts as the secretary to the Committee. Mr. Sandip V. Patel, Chairman of the Audit Committee, was present at the Annual General Meeting of the Company held on 27th September, 2018.

During the year 2018-19, 4 (four) meetings of the Audit Committee were held on 7th May, 2018, 8th August, 2018, 5th November, 2018, and 11th February, 2019.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Sandip V. Patel	Chairman	Independent, Non-Executive Director	4	4
Mr. Arun S. Patel	Member	Independent, Non-Executive Director	4	4
Mr. Nitin R. Patel	Member	Non-Independent, Non-Executive Director	4	4

B. Nomination and Remuneration Committee

I. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee, inter alia, includes following:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees;
- Formulating criteria for evaluation of the Independent Directors and the Board;
- Specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.
- Devising a policy on Board diversity;
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- Identifying persons who qualify to become Directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluations of every Director's performance;
- Analyzing, monitoring and reviewing various human resource and compensation matters;

- Determining the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment and determining remuneration packages of such Directors;
- Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market related, usually consisting a fixed and variable component;
- Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 1. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 2. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
- Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

II. Composition and Attendance:

The Company has independent Nomination and Remuneration Committee, constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Atul N. Ruparel, Chairman of the Nomination and Remuneration Committee, was present at the Annual General Meeting of the Company held on 27th September, 2018.

During the year 2018-19, 1 (One) meeting of the Nomination and Remuneration Committee was held on 8th August, 2018.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Atul N. Ruparel	Chairman	Independent, Non-Executive Director	1	-
Mr. Mirat N. Bhadlawala	Member	Independent, Non-Executive Director	1	1
Mr. Shashin V. Patel	Member	Promoter, Non-Executive Director	1	1

III. Remuneration Policy:

The remuneration policy of the Company has been formulated by ensuring that the level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors. Remuneration of Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis.

i) Remuneration to Non-Executive Directors

During the year 2018-19, Non-Executive Directors are paid sitting fees for each meeting of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

ii) Remuneration to Managing Director

Remuneration paid to the Executive Directors is recommended by the Nomination & Remuneration Committee, approved by the Board and is subject to the overall limits as approved by the shareholders.

Mr. Vasistha C. Patel, Managing Director was paid remuneration of ₹ 2.50 Lakh per month by way of salary for the financial year ended 31st March, 2019 excluding leave encashment. Mr. Vasistha C. Patel, Managing Director was also entitled to receive commission on profits as well as other perquisites as determined by the Board of Directors and approved by shareholders.

The Company has entered into an agreement with Mr. Vasistha C. Patel for his employment for a period of Five years. Either party to an agreement is entitled to terminate the agreement by giving not less than 90 days' notice in writing to other party.

Details of the remuneration paid to Executive and Non-Executive Directors during the year 2018-19 are as under.

Name of Directors	Salary (₹ In Lakh)	Sitting Fees (₹ In Lakh)	Terms of appointment
Mr. Vasistha C. Patel	32.5	Nil	5 years from 1 st January, 2018
Mr. Shashin V. Patel	Nil	0.06	Nil
Mr. Nitin R. Patel	Nil	0.09	Nil
Mr. Sandip V. Patel	Nil	0.075	5 years from 5 th September, 2014
Mr. Mirat N. Bhadlawala	Nil	0.045	5 years from 22 nd October, 2014
Mr. Arun S. Patel	Nil	0.075	5 years from 22 nd October, 2014
Mr. Atul N. Ruparel	Nil	0.06	5 years from 22 nd October, 2014
Mrs. Daksha N. Shah	Nil	0.09	5 years from 24 th March, 2015

C. Stakeholders' Relationship Committee

I. Terms of Reference:

The Stakeholders Relationship Committee ('SRC') looks into various aspects of interest of shareholders. During the year under review, the terms of reference of the SRC were amended to align the role of the Committee with amendments to the Listing Regulations. The terms of reference of the SRC includes:

- Redressal of shareholders' / investors' grievances;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- Non-receipt of declared dividend, balance sheets of the Company or any other documents or information to be sent by the Company to its shareholders;
- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company.
- Carrying out any other function as prescribed under the Equity Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. Composition and Attendance:

The Company has constituted Stakeholders' Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company Secretary acts as the secretary to the Committee. Mr. Nitin R. Patel, Chairman of the Stakeholders' Relationship Committee, was present at the Annual General Meeting of the Company held on 27th September, 2018.

During the year 2018-19, 4 (four) meetings of the Stakeholders' Relationship Committee were held on 8th May, 2018, 8th August, 2018, 5th November, 2018 and 12th February, 2019.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Nitin R. Patel	Chairman	Non-Independent, Non-Executive Director	4	4
Mr. Vasistha C. Patel	Member	Executive Director	4	4
Mr. Arun S. Patel	Member	Independent, Non-Executive Director	4	4
Mr. Sandip V. Patel	Member	Independent, Non-Executive Director	4	4

III. No. of Complaints received and resolved during the year:

Particulars	No. of Complaints
Complaints at the beginning of the year	Nil
Complaints received during the year	Nil
Complaints resolved during the year	Nil
Complaints remains unresolved at the end of the year	Nil

D. Finance and Investment Committee

The Board has constituted Finance Committee as "Finance and Investment Committee" comprising of Mr. Shashin Patel, Mr. Vasistha C. Patel, Mr. Nitin R. Patel and Mr. Arun Patel, to review investment of funds, approval of short terms and/or long terms loans, banking transactions, avail financial facilities for Company and any other matters related to finance and investments of the company as decided by the Board of Directors of the Company.

Finance and Investment Committee meets as and when the need to consider any matter assigned to it arises.

During the year 2018-19, 9 (Nine) meetings of the Finance and Investment Committee were held on 13th April, 2018, 23rd April, 2018, 11th June, 2018, 28th June, 2018, 1st October, 2018, 17th November, 2018, 31st December, 2018, 7th February, 2019, and 11th March, 2019.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Shashin V. Patel	Chairman	Non-Independent, Non-Executive Director	9	2
Mr. Vasistha C. Patel	Member	Executive Director	9	9
Mr. Nitin R. Patel	Member	Independent, Non-Executive Director	9	9
Mr. Arun S. Patel	Member	Independent, Non-Executive Director	9	9

E. Corporate Social Responsibility Committee

Company has duly constituted Corporate Social Responsibility Committee (known as “CSR Committee”) in compliance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013, for the purpose of activities to be undertaken by the company towards the Corporate Social Responsibility (CSR).

The terms of reference of CSR Committee includes, formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder and providing guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

During the year 2018-19, 1 (one) meeting of the CSR Committee was held on 5th November, 2018.

The composition, details of number of meetings held during the year and attendance of each member at the meeting are mentioned below.

Name	Designation	Category	No. of meetings held	No. of meetings attended
Mr. Vasistha C. Patel	Chairman	Executive Director	1	1
Mr. Nitin R. Patel	Member	Non-Independent, Non-Executive Director	1	1
Mr. Sandip V. Patel	Member	Independent, Non-Executive Director	1	1
Mr. Atul N. Ruparel	Member	Independent, Non-Executive Director	1	1

F. Risk Management Committee

In compliance of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Risk Management Committee and majority of members of the Committee are members of Board of Directors. The Company has a well-defined risk management framework to identify, recognize, monitor and mitigate risks as also identify business opportunities. The Committee has been delegated powers to monitor and review risk management plans. The Committee is headed by Mr. Vasistha C. Patel as Chairman of the Committee. Mr. Nitin R. Patel and Mr. Sandip Patel are members of the Committee. The Committee meets as and when the need to review the management plans.

4. GENERAL BODY MEETINGS

Location, date and time of Annual General Meetings held during the last 3 years and special resolutions passed:

Financial Year	Day, Date & Time	Venue	Special Resolution passed
2017-18	Thursday, 27 th September, 2018 (11.00 AM)	Lions Hall, Near Mithakhali Six Road, Ellisbridge, Ahmedabad-380006	Yes - Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis
2016-17	Tuesday, 26 th September, 2017 (11.00 AM)	Lions Hall, Near Mithakhali Six Road, Ellisbridge, Ahmedabad-380006	Yes - Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis - To increase borrowing limits - To create charge on Company's properties - Approval of Conversion of loan in to equity - Considered and decided place of maintenance and keeping Register of Members and other registers at place other than the Registered office of the Company. - Alteration of Articles of Association.

2015-16	Wednesday, 28 th September, 2016 (11.00 AM)	Lions Hall, Near Mithakhali Six Road, Ellisbridge, Ahmedabad-380006	Yes - Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis - To increase borrowing limits - To create charge on Company's properties
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During the year 2018-19, no Special Resolution was passed through postal ballot and there is no resolution proposed to be passed through postal ballot.

5. MEANS OF COMMUNICATION

- i) The quarterly, half yearly and annual financial results and other statutory information are generally communicated to the shareholders by way of an advertisement in an English newspaper viz. 'The Economic Times (English)' and in a vernacular language newspaper viz. 'The Economic Times (Gujarati)' as per requirements of the Listing Regulations.
- ii) The Company is promptly reporting all material information including declaration of quarterly financial results, press releases, etc. to all Stock Exchanges where the securities of the Company are listed. Such information is also simultaneously displayed immediately on the Company's website www.sadbhavinfra.co.in
- iii) The financials and other material information were uploaded by the Company on the websites of NSE and BSE i.e. www.nseindia.com and www.bseindia.com respectively through NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Online Portal of BSE Ltd. (BSE).
- iv) Official press releases, presentations made to institutional investors or to the analysts and transcripts of Con-call are displayed on Company's corporate website, www.sadbhavinfra.co.in
- v) The main channel of communication to the shareholders is through Annual Report, which includes inter-alia, the Directors' Report, Management's Discussion and Analysis, Report on Corporate Governance and Audited Financial Results.

6. GENERAL SHAREHOLDERS INFORMATION

A. General Information:

1. **Annual General Meeting**
Date and Time : Wednesday, 25th day of September, 2019 at 11:00 a.m.
Venue : Lions Hall, Nr. Mithakhali Six Road, Ellisbridge, Ahmedabad - 380006, Gujarat.
2. **Financial Year** : 1st April to 31st March
3. **Book Closure Date** : Thursday, 19th September, 2019 to Wednesday, 25th September, 2019
(both day inclusive)
4. **Dividend Payment Date** : Payment of dividend will be made within stipulated time lines.
5. **Listing on Stock Exchanges**
Equity Shares : **BSE Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
: **National Stock Exchange of India Limited**
Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051
Debt Securities (Debentures) : **BSE Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
6. **Listing Fees** : Company has paid the annual listing fees for the financial year 2019-20 to the above Stock Exchanges.
7. **Stock Code**
BSE Limited : 539346
National Stock Exchange of India Limited : SADBHIN
ISIN for Equity Shares : INE764L01010

B. Debt Securities (Debentures):

Following Redeemable, Secured, Non-Convertible Debentures of the Company are listed on Wholesome Debt Market at BSE Limited.

ISIN Number	Issuance date	Maturity date	Payment frequency	Amount Outstanding (Amount in ₹)	Name of the Debenture Trustee
INE764L07041	16/12/2014	18/04/2019	Yearly Interest payment	48,00,00,000	CATALYST TRUSTEESHIP LIMITED
INE764L07058	16/12/2014	18/11/2019	Yearly Interest payment	64,00,00,000	
INE764L07074	30/01/2015	13/04/2020	Yearly Interest payment	50,00,00,000	IDBI Trusteeship Services Limited
INE764L07082	27/02/2015	13/04/2020	Yearly Interest payment	70,00,00,000	
INE764L07090	21/09/2016	30/04/2019	Yearly Interest payment	50,00,00,000	IDBI Trusteeship Services Limited
INE764L07108	21/09/2016	15/04/2020	Yearly Interest payment	50,00,00,000	
INE764L07116	21/09/2016	15/04/2021	Yearly Interest payment	50,00,00,000	
INE764L07124	21/09/2016	15/04/2022	Yearly Interest payment	50,00,00,000	
INE764L07132	11/01/2017	28/04/2020	On redemption	25,00,00,000	
INE764L07140	11/01/2017	28/04/2020	On redemption	25,00,00,000	
INE764L07157	20/03/2017	25/06/2021	On redemption	25,00,00,000	
INE764L07165	20/03/2017	27/06/2022	On redemption	25,00,00,000	
INE764L07173	23/04/2018	23/04/2023	N.A	1,70,00,00,000	CATALYST TRUSTEESHIP LIMITED
INE764L07181*	06/06/2018	06/06/2023	N.A	1,90,00,00,000	CATALYST TRUSTEESHIP LIMITED

* Unlisted Non-Convertible Debentures

C. Details of Debenture Trustee:

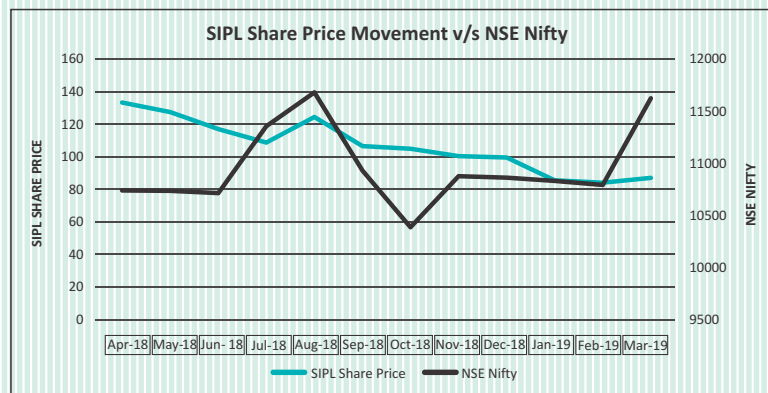
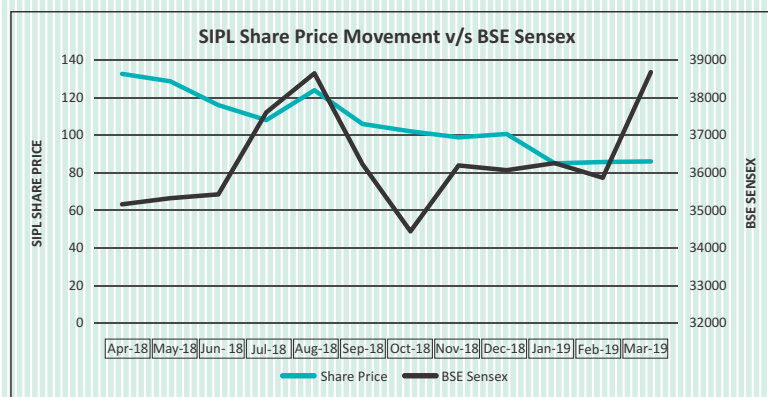
CATALYST TRUSTEESHIP LIMITED (Formerly known as GDA Trusteeship Limited)	Office No. 83 – 87, 8 th Floor, 'Mittal Tower', 'B' Wing, Nariman Point, Mumbai – 400021. Tel: 022-49220555; Fax: 022-49220505 Email: dt@ctltrustee.com Website: www.catalysttrustee.com
IDBI TRUSTEESHIP SERVICES LIMITED	Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400001 Tel: 022-40807000; Fax: 022-66311776 Email: itsl@idbitrustee.com Website: http://www.idbitrustee.com

D. Market Price Data:

Below mentioned are the details of high/low, Number and Value of shares traded during each month in the last financial year.

Month	BSE Ltd		National Stock Exchange of India Ltd	
	High	Low	High	Low
Apr-18	135.8	132.2	135.9	132.6
May-18	132	127.4	132	126.1
Jun-18	118.05	111	119.9	110.6
Jul-18	111	108	112.5	107.05
Aug-18	126.35	123.55	128	122.05
Sep-18	111.05	104.2	111.05	102.5
Oct-18	102	102	108.9	102.55
Nov-18	100	97.7	103	95
Dec-18	102.25	99.95	102.95	98
Jan-19	88	85	89.75	84.1
Feb-19	95	81.6	87	81.15
Mar-19	90.02	74.55	89	85.1

E. Performance of the share price of the Company in comparison to BSE Sensex and NSE Nifty:



F. Registrar & Share Transfer Agent:

Name and Address : M/s. Link Intime India Private Limited
 C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083
 Phone : 022-49186000
 Fax : 022-49186060
 Email : rnt.helpdesk@linkintime.co.in
 Website : www.linkintime.co.in

G. Share Transfer System:

Since the Company’s shares are compulsorily traded in the demat segment on stock exchanges, the transfers take place in the electronic form. However, shares in the physical form are processed by the Registrar & Share Transfer Agents. The Company has a Stakeholders’ Relationship Committee for redressing the complaints / queries of shareholders and investors.

With effective from 1st April, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

Pursuant to Regulation 40(9) of the Listing Regulations with the stock exchanges, the Company obtains a Certificate from a Practicing Company Secretary on half yearly basis, for due compliance of share transfer formalities. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, a certificate has also been obtained from a Practicing Company Secretary for timely dematerialization of the shares of the Company and for conducting Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. The Company files copy of these certificates with the stock exchanges as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

H. Shareholding as on 31st March, 2019:

i) Distribution of Shareholding as on 31st March, 2019

No. of Shares	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Capital
1 – 500	6975	86.8618	955733	0.2713
501 – 1000	411	5.1183	345240	0.0980
1001 – 2000	227	2.8269	366335	0.1040
2001 – 3000	77	0.9589	199792	0.0567
3001 – 4000	40	0.4981	145266	0.0412
4001 – 5000	43	0.5355	207411	0.0589
5001 – 10000	95	1.1831	734051	0.2084
10001 & Above	162	2.0174	349271388	99.1614
Total	8030	100.00	352225216	100.00

ii) Categories of Shareholders as on 31st March, 2019

Category	No. of Shares held		Total No. of Shares	% of holding
	Demat	Physical		
Promoters	245241061	-	245241061	69.63
Mutual Fund	20049082	-	20049082	5.69
Banks/Financial Institutions/Central Govt./State Govt./Trusts & Insurance Companies	3025	-	3025	0.00
FII / Foreign Portfolio Investors	40092719	-	40092719	11.38
NRI (Repatriable & Non-Repatriable)	255470	-	255470	0.07
Foreign Companies	29121860	-	29121860	8.27
Other Corporate Bodies	6524270	-	6524270	1.85
Indian Public / HUF	10372174	13	10372187	2.95
Clearing Member	130814	-	130814	0.04
Trust	434728	-	434728	0.12
Total	352225203	13	352225216	100.00

I. Dematerialization of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialized form. Equity Shares of the Company representing 99.99% of the Company's paid up share capital are in dematerialized form as on 31st March, 2019 with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Details of which are as under.

Sr. No.	Mode of Holding	No. of Shares	% of Total Capital
1	NSDL	348438730	98.92
2	CDSL	3786473	1.08
3	Physical	13	0.00
	Total	352225216	100.00

The Company's shares are regularly traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'.

ISIN number for dematerialization of the equity shares of the Company is INE764L01010.

J. Outstanding GDRs/ADRs/Warrants or any convertible instrument, conversion date and likely impact on equity: The Company has not issued any GDRs/ADRs/warrants or any convertible instruments.

K. Commodity price risk or foreign exchange risk and hedging: Not Applicable

L. Plant Locations: The Company does not have any manufacturing plant.

M. Address for Correspondence: Shareholders may correspond to the Company Secretary of the Company or at the office of Registrar & Transfer Agent at the below mentioned addresses.

Company Secretary & Compliance Officer Sadbhav Infrastructure Project Limited "Sadbhav", Nr. Havmor Restaurant, B/h Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380009 Phone: 079-40400400 Fax: 079-40400444 Email: investor@sadbhavinfra.co.in Website: www.sadbhavinfra.co.in	M/s. Link Intime India Private Limited Unit: Sadbhav Infrastructure Project Limited Registrar & Transfer Agent C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083 Phone: 022-49186000 Fax: 022-49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
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N. Credit Rating:

Facilities	Outstanding Amount (₹ Crores)	Rating
Non-Convertible Debenture (Listed)	112.00 (Reduced from ₹ 160.00 Crores)	CARE A (SO)/Stable
Non-Convertible Debenture (Listed)	120.00 (Reduced from ₹ 200 Crores)	CARE A (SO)/Stable
Non-Convertible Debenture (Listed)	300.00	CARE A (SO)/Stable
Non-Convertible Debenture (Listed)	170.00	CARE A (SO)/Stable
Non-Convertible Debenture (Unlisted)	190.00	CARE A (SO)/Stable
Long Term / Short Term Bank facilities	400.00	CARE A (SO)/Stable
Total	1,292.00	

7. OTHER DISCLOSURES

- A.** All transactions entered into with related parties as defined under Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year 2018-19, were in the ordinary course of business and on an arm's length basis. There were no materially significant Related Party Transactions during the financial year 2018-19 that may have potential conflict with the interest of the Company at large. The details of Related Party Transactions are disclosed in financial section of this Annual Report. The Board has approved a policy for related party transactions which is uploaded on the website of the Company at <http://www.sadbhavinfra.co.in/en/pdf/policy-on-related-party-transaction.pdf>
- B.** There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years. Further, there are no penalties or strictures imposed by the Stock Exchanges, SEBI or any statutory authority on any matter related to capital market during the last three years.
- C.** In accordance with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Whistle Blower Policy and has established the necessary vigil mechanism for employees and Directors to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The said policy is uploaded on the website of the Company at <http://www.sadbhavinfra.co.in/en/pdf/whistle-blower-policy.pdf>.

All protected disclosures should be in writing and can be submitted by hand delivery or by courier or post or by electronic mode addressed to the Chairman of the Audit Committee of the Company on below mentioned address.

Chairman of Audit Committee

Sadbhav Infrastructure Project Limited
 "Sadbhav", Nr. Havmor Restaurant,
 B/h Navrangpura Bus Stand, Navrangpura,
 Ahmedabad – 380009

- D.** Code of Conduct for Prevention of Insider Trading: The Company has adopted the Code of Conduct for Prevention of Insider Trading under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ('Code'). The Code lays down guidelines for procedures to be followed and disclosures to be made by insiders while trading in the securities of the Company.

Compliance Officer for ensuring compliance with and for the effective implementation of the Regulations and the Code across the Company. The Company has also adopted a Code of Corporate Disclosure Practices for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information ('UPS') by the Company to enable the investor community to take informed investment decisions with regard to the Company's shares.

During the year under review, both the above Codes were amended to align them with the amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes is also available on the website of the Company at <http://www.sadbhavinfra.co.in>

- E.** The Company has complied with all the mandatory and non-mandatory requirements of the Listing Regulations relating to Corporate Governance and also complied with Regulation 46 (1) & (2) relating to the dissemination of information on the website of the Company. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under:

The following non-mandatory requirements have been adopted by the Company:

- a. The Report of Auditors is with unmodified opinion with respect to the Audited Financial Results (Standalone and consolidated) of the Company for the quarter and year ended on 31st March, 2019.
 - b. The Company has appointed separate persons to the posts of Chairman and Managing Director.
 - c. The Internal Auditors report directly to the Audit Committee.
- F.** The Company has a policy for determining 'material subsidiaries' which is uploaded on the website of the Company at http://www.sadbhavinfra.co.in/en/pdf/policy_for_determining_material_subsiary_co.pdf
- G.** In accordance with the SEBI Circular dated 8thFebruary, 2019, the Company has obtained an Annual Secretarial Compliance Report from Mr. Ashish Shah & Associates, Company Secretary in Practice confirming compliances with all applicable SEBI Regulations, Circulars and Guidelines for the year ended 31stMarch, 2019.
- H.** Mr. Ravi Kapoor, Company Secretary in Practice has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.
- I.** Company has obtained a certificate affirming the compliances from M/s. Ravi Kapoor & Associates, Practicing Company Secretaries and the same is attached to this report.
- J.** The Managing Director and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on 31stMarch, 2019 in compliance with Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same is attached to this report.
- K.** The Company has a well-defined risk management framework in place. The Audit Committee of the Board is also regularly informed about the business risks and the steps taken to mitigate the same. The implementation of the risk assessment and minimization procedures is an ongoing process and the Board members are periodically informed of the status.
- L.** The Board of Directors has adopted the Code of Conduct for Directors and Senior Management and the same has been placed on the Company's website <http://www.sadbhavinfra.co.in/en/pdf/code-of-conduct.pdf>. All Board Members and Senior Personnel have affirmed compliance of Code of Conduct. A declaration signed by the Managing Director to this effect is attached to this report.
- M.** In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed an Insider Trading Code to avoid any insider trading and it is applicable to all Directors, Officers and such employees of the Company who are expected to have access to the unpublished price sensitive information relating to the Company. The said code laid down guidelines, which advices them on procedure to be followed and disclosures to be made, while dealing with the shares of the Company. The code has been placed on the Company's website <http://www.sadbhavinfra.co.in/en/pdf/insider-trading-code-SIPL.pdf>.
- N.** A Management Discussion and Analysis Report forms part of this Annual Report and includes discussion on various matters specified under Regulation 34(2)(e) and Schedule V (B) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- O.** In preparation of financial statements, the Company has followed the Indian Accounting Standards (IndAS) specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- P.** Details of utilisation of funds: The Company has not raised any funds through preferential allotment or qualified institutions placement.
- Q.** Confirmation by the Board of Directors regarding acceptance of recommendation of all Committees: In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its Committees, if any.
- R.** Fees paid to Statutory Auditor: Fees were paid by the Company and its subsidiaries, on a consolidated basis, for all services to respective Statutory Auditors and all entities in the network firm/network entity of which they are part.

- S. Prevention, prohibition and redressal of sexual harassment at workplace: Status of complaints in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 for the FY 2018-19 is as follows:

Number of complaints filed during the financial year: Nil

Number of complaints disposed of during the financial year: Nil

Number of complaints pending as on end of the financial year: Nil

DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby affirmed that all members of the Board and Senior Management personnel have affirmed compliance with Code of Conduct for the year ended 31st March, 2019.

For, Sadbhav Infrastructure Project Limited

Date: 27th May, 2019

Place: Ahmedabad

Vasistha C. Patel

Managing Director

DIN: 00048324

Certification on Financial Statements of the Company

We, Vasistha C. Patel, Managing Director and Varun Mehta, Chief Finance Officer of Sadbhav Infrastructure Project Limited ('the Company'), certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2019 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company during the year ended 31st March, 2019 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 27th May, 2019

Place: Ahmedabad

Vasistha C. Patel
Managing Director
DIN: 00048324

Varun Mehta
Chief Financial Officer

Compliance Certificate by Practicing Company Secretary

To,
The Members of
Sadbhav Infrastructure Project Limited

We have examined the Compliance Conditions of Corporate Governance by Sadbhav Infrastructure Project Limited for the year ended on 31st March, 2019 as per Para E of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 01st April, 2018 to 31st March, 2019. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The Compliance of Conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the Management, we certify that the Company has materially complied with the conditions of Corporate Governance as stipulated Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, Ravi Kapoor & Associates
Company Secretaries

Date: 27th May, 2019
Place: Ahmedabad

Ravi Kapoor
Proprietor
Membership No.: 2587

Management Discussion & Analysis

CAVEAT

Under this section of the Annual Report 2018-2019 in adherence to the rules and regulations as mandated by the Securities and Exchange Board of India, we would like to provide a statutory warning to the stakeholders and readers alike. The projections listed here along with describing the Company's objectives and approximate estimate may be forward looking in the current scenario and set in the framework meaning of applicable securities laws and regulations. Actual results, performances, achievements or subsequence of events may differ materially from those expressed or implied. The case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Therefore, all concerned are requested to caution themselves from putting undue reliance on these statements and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regards to their own specific objective. Furthermore, the discussion following herein reflects the perception on major issues that could influence the Company's operations' substantial downside risks are as on date and the opinions expressed herewith are subjected to change without prior notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward- looking statements expressed in this report, consequent to any new information, future events or otherwise.

Along with predictions of the future based on the foundation of existing scenario, the company presents its annual report for the year 2018-2019.

1. GLOBAL ECONOMIC SCENARIO

During the financial year 2018-19, the global economy saw significant volatility. Global growth is expected to be at 3.2% for 2019 and 3.5% for 2020 as per IMF. While World Bank projects global growth to be at 2.6% for 2019 and 2.7% for 2020. Emerging market and developing economies are expected to outpace advanced economies by 230 bps during 2019 and by 300 bps during 2020. The US economy has accelerated at its finest pace in last four years due to monetary stimulus and tax cuts during the current year. The biggest risk facing economies is due to the growing evidence that global growth and trade are weakening. The slowdown of the Chinese economy, along with growing evidence of European growth under pressure, cast a big cloud of uncertainty.

Unsettled trade tensions and developments around Brexit may continue to impact the cross- border trades, while oil-price volatility may impart a further downside risk to the outlook in the investment climate in the Middle East markets.

The global construction sector has hit a peak in the construction cycle during the past 10 years (2008-2018). 2019 is expected to be a turning point for the global construction industry, and the impact of cooling down is being felt gradually. The emerging markets dominated the overall global infra growth over the last few years, while the developed markets have not fully regained their pre-crisis volumes.

Going ahead, slowing GDP growth and tighter financial and monetary conditions will drive the deceleration in certain infra verticals.

2. DOMESTIC ECONOMY SCENARIO

The year 2018-19 saw the Indian economy yielding the benefits of structural reforms, viz Goods & Service Tax (GST), Demonetisation and Insolvency & Bankruptcy Code (IBC).

The domestic economy continues to be driven by public sector investments, mainly in areas of water supply, irrigation, urban transportation, crude exploration and refining, roads allied infrastructure and rural electrification. The domestic investment momentum was healthy despite the multiple challenges on the economic front, with volatile crude oil prices, currency swings, pressure on fiscal and current account deficits, sharp temporary contraction in liquidity and the general elections held in Q1 of FY2019-20.

As per The United Nations' World Economic Situation and Prospects ("WESP") 2019, India's economy is expected to grow at 7.4 per cent during 2018-19 and improve to 7.6 per cent in the next fiscal. The report also expects India's gross domestic product ("GDP") to expand by 7.4 per cent in 2020-21. The reason for the same, as stated by the report, is the robust private consumption, a more expansionary fiscal stance and benefits from previous reforms.

3. ROAD INFRASTRUCTURAL PERIPHERI IN THE INDIAN ECONOMY

The year 2018-19 was a mixed bag with positives on front of new project awards, improved clearances, while certain concerns on delay in land acquisitions, availability of funds led to cautious approach towards growth estimation.

India has the second largest road network across the world at 5.4 million km. This road network transports more than 60 per cent of all goods in the country and 85 per cent of India's total passenger traffic. The Government of India has been putting major thrust on road and infrastructure building in the Country. The Government of India had signed a US\$ 210 million deal with World Bank to improve rural roads at a stretch of 10,510 km in Madhya Pradesh under the Gram Sadak Yojana programme. It has also signed US\$ 500 million loan agreement with World Bank to provide additional funding for construction of 7,000 km climate resilient roads out of which 3,500 km will be built using green technologies under Pradhan Mantri Gram Sadak Yojna (PMGDY). The government, through a series of initiatives, is working on policies to attract significant investor interest. The Indian government plans to develop a total of 66,117 km of roads under different programmes such as National Highways Development Project (NHDP), Special Accelerated Road Development Programme in North East (SARDP-NE) and Left Wing Extremism (LWE). The government has identified development of 2,000 km of coastal roads to improve the connectivity between ports and remote villages.

The Infrastructure segment – especially the EPC sector – has witnessed a decent order inflow in the last four quarters, driven mainly by Government Capex. On the other side, private / corporate Capex has declined for 7 years in succession over FY12-FY18.

In the Roads sector, the EPC mode, which contributed 65–70% of the total cost of projects awarded by NHAI during the FY14–16 periods, has taken a backseat. Single-segment road players have seen a relatively lower inflow of 'new' orders – on the back of slowdown in order award activity by NHAI. NHAI has awarded only 550 km of projects in FY 18-19 as compared to 7400 km in the previous year – leading to muted inflows. Moreover, over the last two fiscals, the HAM Model has taken the sweet spot, with EPC projects forming just 30–35% of the cost of projects awarded. A comeback of the EPC mode in FY 2019-20 will be a game changer for the Infrastructure sector.

4. OPPORTUNITIES & STRENGTHS

On the backdrop of large operational projects and stable cashflows, SIPL sees window of opportunity going forward. With the signing of deal to sale operational projects to Indinfravit, immediate benefits seems to be increase in growth momentum and also balance sheet of the company shall strength tremendously. Over a medium to long term, with the signing of ROFO agreement, company sees recycling of capital to be reality which shall help company to grow and at the same time maintain the financial discipline. Market position of the company in terms of qualification criteria, relationship with investors and lenders, on-ground presence for operation and maintenance with in-house team are the main strengths of the company to compete in the road sector industry. The Company has identified certain thrust areas and strategies, viz. leveraging ongoing digitalization efforts, operational efficiencies, monetization of assets

5. RISKS & CHALLENGES

The management of company has identified the risk as follows:

Internal and Business Risks

Our projects are typically required to achieve commercial operation no later than the scheduled commercial operation dates specified under the relevant concession agreements, or by the end of the extension period, if any is granted by the concessioning authority. The concessioning authority may also be entitled to terminate the concession agreement in the event of delay in completion of the work if the delay is not on account of any of the agreed exceptions. In addition to the risk of termination by the concessioning authority, delays in completion of development may result in cost overruns, lower or no returns on capital and reduced revenue for the concessionaire thus impacting the project's performance, as well as failure to meet scheduled debt service payment dates and increased interest costs from our financing agreements for the projects. Failure to acquire unencumbered contiguous land by the Central or State Governments or other concerned agencies under the concession agreements could result in us changing, delaying or abandoning entire projects, which in turn could adversely affect our business. Construction costs of road projects are dependent on prices of raw materials such as steel, cement, bitumen, sand, aggregate, etc. Construction of the project is dependent on various approvals from state government and local authorities. Construction of the project depends on manpower and utilization of machinery. Delays in completion could happen due to agitations by manpower or breakdown of machineries.

External Risks

Any change in the Government policy towards bidding of new projects could hamper the growth of the company. Since company is dependent on BOT and HAM, any increase in the awarding activity towards EPC nature will lead to shrink in the market size for bidding of your company. Regulatory changes in relation to carrying capacity of vehicles could lead to reduction in traffic. Any natural calamities such as floods, earthquakes, etc. could lead to substantial financial loss.

Availability of funds and interest rate risk

The road infrastructure sector is capital intensive and requires significant expenditure. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions for infrastructure companies, economic and political conditions in the markets where we operate and our capacity to service debt. Major portion of the expenses goes towards interest costs and hence any adverse movement in the interest rate shall lead to reduction in cash flows.

Traffic growth risk

Toll revenue is a function of the toll rates and traffic growth.

Toll rates: Toll rate increase for our seven NHAI BOT Toll projects are linked to change in Wholesale Price Index (WPI) in addition to a fixed increase of 3% every year. Toll rate increase for ARRIL is directly linked to change in WPI while Toll rate increase for AJTL and MBCPNL is fixed irrespective of actual inflation.

Traffic growth: Traffic volume are directly or indirectly linked to many factors such as industrial activity in vicinity, weather conditions, alternate routes, population of the project influence area, etc..

6. MINIMIZING RISKS

At SIPL, all the decisions are taken understanding the risk of same and also the mitigating factors of those risk. We have a strong risk management policies to oversee the entire operations of the Company. At the time of submission of the bid, thorough Due Diligence is conducted in relation to the location of the project, availability of materials, local issues, technical scope as mentioned in the Concession Agreement, condition of financial market, etc. We have a full-fledged team of technical experts at our workshop, who are responsible for the repairs and maintenance of the equipment. Therefore, work without stoppages or no significant labour disruptions during its operational history was paved way for by our extensive employee welfare scheme which looks after their health and safety. We have taken contractor's all risk insurance policy in respect of projects and workmen's compensation policies to protect against losses caused to workmen through accident. Most of the critical work during the operation period is done by us and only very minimal portion of the work is sub-contracted. We always insist to have a performance guarantee and quality assurance from them. As a company, our ability to foresee and manage business risks plays a crucial role in achieving positive results even from the downturn of economic situations. We also regularly conduct third party audits of the toll management systems and toll collection systems in order to identify lacunas and improve our operational performance.

7. SEGMENT WISE PERFORMANCE

During the year 2018-19, the Company has only one reportable business segment, which is infrastructure development. A segmentwise performance on consolidated basis is given in the consolidated financial statements.

8. INTERNAL CONTROLS SYSTEMS AND ADEQUACY

The Company possesses a suitable mechanism for internal controls. It follows a well-designed documentation system for policies and procedures covering all financial and operating functions. These controls have been developed and designed in a manner to properly maintain accounting records for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorised use or losses and compliance with regulations. The Company has digitalised all key process controls through the SAP S/4 HANA – systems to maximise automated control transactions. The auditor verifies IT-enabled controls as part of the review of functions and processes as part of the Internal Audit function.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit Auditor reports to the Chairman of the Audit Committee.

9. FINANCIAL OVERVIEW

We generate revenues primarily from toll collection, user fee and annuity receipts. The company also provides operation, maintenance, advisory and project management services for our projects. Review of financial performance for the financial year ended 31st March, 2019 are as follows:

PARTICULARS	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	2950.27	3,377.92	32479.32	22,760.58
Other Income	729.89	469.58	1820.44	464.22
Total Revenue	3680.16	3,847.50	37299.76	23,224.80
Profit Before Taxation	1088.50	1,046.11	(2406.22)	(2,972.22)
Tax Expense	370.11	368.71	607.00	407.51
Profit/(Loss) for the period after tax and minority interest	565.44	677.40	(2452.73)	(3,290.37)
Other comprehensive income	0.37	(0.01)	(1.44)	1.37
Total comprehensive income (after tax)	565.81	677.39	(2454.17)	(3,289.00)

(INR in Million)

In accordance with the SEBI (Listing Obligations Disclosure Requirements 2018) Amendment Regulations, 2018, the Company is required to give details of significant changes (change of 25% or more as compared to the immediately previous financial year) in key sector-specific financial ratios along with detailed explanations.

PARTICULARS	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Debtors Turnover (days)	182	130	3	0
Inventory Turnover (days)	0	0	0	0
Interest Coverage Ratio (x)	1.54	1.64	0.80	0.74
Current Ratio (x)	0.72	0.72	0.53	0.83
Debt Equity Ratio (x)	1.23	1.06	N.A.	N.A.
Operating Profit Margin (%)	71.42%	65.45%	21.20%	34.63%
Net Profit Margin (%)	19.17%	20.05%	-6.99%	-14.94%
Return on networth (%)	3.93%	4.83%	N.A.	N.A.

10. HUMAN RESOURCE DEVELOPMENT

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process and management development programs to upgrade skills of manager. Objective appraisal systems based on key result areas are in place for senior management staff.

Company strongly believes that people are the prime assets of the organization, and implements new initiatives to train and motivate them. Company believes in the potential of people to go beyond and be the game-changing force for business transformation and success. This potential is harnessed by fostering an open and inclusive work culture that enables breakthrough performance and comprehensive development of employees through the three pillars of Leading Self, Leading Teams and Leading Business. As on 31st March, 2019, the employee strength of the Company was 37 excluding trainees and contractors' employees.

Independent Auditor's Report

To,
The Members of **Sadbhav Infrastructure Project Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Sadbhav Infrastructure Project Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein referred to as Standalone Ind AS financial statements).

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

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial statements in accordance with the Standards on Auditing (SA's) as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act 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 audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Assessing impairment of investments in BOT assets operated under concession arrangements (refer note no 3.10 of the standalone Ind AS financial statements)	
<p>As at 31 March 2019, the Company had investments in BOT assets aggregating to INR 21,468.88 millions which are operated under concession agreement by subsidiary companies.</p> <p>Each year the company needs to test the aforementioned investments in infrastructure projects for impairment.</p> <p>The measurement of the recoverable amount of those investments in infrastructure projects involves significant judgements and assumptions by the management mainly in relation to growth rate, discount rates, changes in traffic and tolls, and future operating and finance costs.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's valuation methodology applied in determining the recoverable amount of its investments. • Obtained and assessed the key assumptions around the key drivers of cash flow forecasts like growth rate, change in traffic and tolls, and future operating and finance costs based on the financial models which is used during financial closure documents / refinancing. • Assessed the appropriateness of the weighted average cost of capital used in the determining recoverable amount. • Discussed/Evaluated potential changes in key drivers as compared to previous year / actual performance in order to evaluate whether the inputs and assumption used in the cash flow forecasts were appropriate.

Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> • Obtained and assessed financial statements of subsidiaries to evaluate its performance. • Performed sensitivity analysis of key assumptions. • Tested the arithmetical accuracy of the model. • Assessed the disclosures made by the Company in relation to this matter.
Recognition of revenue from construction services (refer note no 3.4 of the standalone Ind AS financial statements)	
<p>Revenue of the company is mainly from Construction Contracts and Major maintenance. Revenue from these contracts are recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Revenue recognition involves usage of stage of completion method which is determined based on proportion of contract costs incurred till balance sheet date compared to estimated total contract costs, which involves significant judgements relating to estimation of total cost for each contract.</p> <p>Revenue recognition involves aforesaid significant judgement and estimation. We therefore determined this to be a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Read the accounting policy for revenue recognition of the Company. • Obtained an understanding of the Company's processes and controls for revenue recognition process, evaluated the key controls around such process and tested those controls for the operating effectiveness. • Performed tests of details, on a sample basis, and inspected the underlying customer contracts and relevant supporting documents. Also on sample basis, inspected the relevant underlying documents of actual cost incurred during the year. • Compared costs incurred with estimated costs to identify significant variations and assessed whether those variations have been considered in estimating the remaining costs to complete and consequential determination of stage of completion. We assessed the management's evaluation for the status of completion for projects and total cost estimates. • Performed analytical audit procedures including analyzing material changes in overall contract margin from one period to another. • Checked that the risks of delays and cost overruns related to the performance of works were properly taken into account, along with estimates of completion costs, and reviewed the contingencies included in the budget and the extent to which disputes were covered. • Assessed the relevant disclosures made by the company in accordance with Ind AS 115.

Information other than the Standalone Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 financial statements or our knowledge obtained in the 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.

Responsibilities of Management 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 Act with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 judgements and estimates that are reasonable and prudent; and the 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Act, we give in the "Annexure1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019, and 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 over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 39 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 27, 2019

For S G D G & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: W100188

per **Devansh Gandhi**

Partner

Membership Number: 129255

Place of Signature: Ahmedabad

Date: May 27, 2019

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Sadbhav Infrastructure Project Limited for the year ended March 31, 2019

- (i) a) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment;
- b) The property, plant and equipment has been physically verified by the management during the year. No material discrepancies were noticed on such verification;
- c) As per the Company's records, there are no immovable properties held as property, plant and equipment by the company during the year. Accordingly, the provisions of clause 3(i)(c) of the order are not applicable to the Company and hence not commented upon.
- (ii) The management has conducted physical verification of inventories, in the nature of project inventory, at reasonable interval during the year and no material discrepancies were noticed on such physical verification.
- (iii) a) The Company has granted loan to seventeen Companies covered in the register maintained under section 189 of the Act including interest free perpetual debt of INR 20,371.70 million in the nature of Project Sponsor Contribution as per Sponsor Support and Equity Contribution Agreement entered with the lenders of each special purpose entities as per service concession arrangement of each project. In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the Company's interest.
- b) The Company has granted loans that are re-payable on demand to companies covered in the register maintained under section 189 of the Companies Act, 2013 except perpetual debts in the nature of promoter's contribution which are recoverable on achievement of certain financial performance of respective investee entities. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular except interest amounting to INR 403.35 million related to certain loan transaction granted by the company to a subsidiaries Company.
- c) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are outstanding for more than ninety days except interest of INR 403.35 million on demand loan which is overdue for more than ninety days from a company covered in the register maintained under section 189 of the Act and in our opinion, at the year end, reasonable steps have been taken by the Company for recovery of the interest.
- (iv) In our opinion and according to the information and explanations given to us and based on legal opinion taken by the Company on applicability of section 185 of Act, in respect of loans to subsidiary entities in the nature of interest free perpetual debt as a project sponsor contribution, the Company has complied with the provisions of section 185 of the Companies Act, 2013. Further, based on the information and explanations given to us, being an Infrastructure Company, provision of section 186 of the Act is not applicable to the Company and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the Companies (Acceptance of deposits) rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the order are not applicable and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to road and other infrastructure projects related services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) a) According to information and explanations given to us and on the basis of examination of the records of the company provided to us, amount deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income-tax, goods and services tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. According to the information and explanation given to us there are no dues payable on account of customs duty during the year.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income-tax, goods and services tax, cess and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.
- c) According to the information, explanation and records of the Company, the dues outstanding of income tax, service tax, goods and services tax and cess on account of any dispute is as follows:

Name of the statute	Nature of dues	Amount (INR in million)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax*	40.98	FY 2009-10 and FY 2010-11	CESTAT Ahmedabad

*Net of INR 2.50 Million paid under protest.

- (viii) In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to bank and dues to debenture holders. The Company did not have any dues payable to the financial institutions and government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year and hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone Ind AS financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirement under clause 3(xiv) are not applicable to the company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act and hence not commented upon.
- (xvi) According to the information and explanations given to us, the company is not required to be registered under section 45IA of Reserve Bank of India Act, 1934 and hence not commented upon.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 27, 2019

For S G D G & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: W100188

per **Devansh Gandhi**

Partner

Membership Number: 129255

Place of Signature: Ahmedabad

Date: May 27, 2019

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 over financial reporting of Sadbhav Infrastructure Project 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS 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 over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS 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, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 27, 2019

For S G D G & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: W100188

per **Devansh Gandhi**

Partner

Membership Number: 129255

Place of Signature: Ahmedabad

Date: May 27, 2019

Balance Sheet as at March 31, 2019

(INR in Million)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipments	5	1.60	1.81
(b) Investment property	6	2.88	2.88
(c) Financial assets			
(i) Investments	7	26,214.72	24,232.72
(ii) Other financial assets	11	123.78	28.43
(e) Other non-current assets	12	18.78	19.02
Total Non-current assets		26,361.76	24,284.86
2 Current Assets			
(a) Financial assets			
(i) Trade receivables	8	1,467.66	1,205.77
(ii) Cash and cash equivalents	9	4.44	13.61
(iii) Bank balances other than (ii) above	9	-	21.08
(iv) Loans	10	5,292.78	4,743.25
(v) Other financial assets	11	930.39	815.39
(b) Other current assets	12	119.43	38.21
Total Current assets		7,814.70	6,837.31
Total Assets		34,176.46	31,122.17
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	13	3,522.25	3,522.25
Other equity	14	10,851.50	10,497.23
Total equity		14,373.75	14,019.48
LIABILITIES			
1 Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	15	7,689.63	6,795.34
(ii) Other financial liabilities	19	1,084.50	791.05
(b) Provisions	16	2.52	2.29
(c) Deferred tax liability (Net)	29	112.47	51.31
Total Non-current liabilities		8,889.12	7,639.99
2 Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	7042.98	5,581.16
(ii) Trade payables	18		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		751.51	847.00
(iii) Other financial liabilities	19	2,585.24	2,375.97
(b) Other current liabilities	20	388.73	533.52
(c) Provisions	16	1.09	0.89
(d) Current tax liabilities (Net)	21	144.04	124.16
Total Current liabilities		10,913.59	9,462.70
Total Equity and Liabilities		34,176.46	31,122.17

Summary of significant accounting policies

3

The accompanying notes are an integral part of these Standalone financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003
per Sukrut Mehta
Partner
Membership No.: 101974
Date: May 27, 2019
Place: Ahmedabad

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: W100188
per Devansh Gandhi
Partner
Membership No.: 129255
Date: May 27, 2019
Place: Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited
Vasistha Patel
Managing Director
DIN: 00048324
Hardik Modi
Company Secretary
Membership No.: F9193
Date: May 27, 2019
Place: Ahmedabad
Shashin Patel
Director
DIN: 00048328
Varun Mehta
Chief Financial Officer

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

(INR in Million)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
I Revenue from operations	22	2,950.27	3,377.92
II Other income	23	729.89	469.58
III Total Income (I + II)		3,680.16	3,847.50
EXPENSES			
Consumption of project materials	24	22.39	150.32
Sub-contractors charges	25	641.17	913.32
Employee benefits expenses	26	34.17	35.26
Finance cost	27	1,748.51	1,634.20
Depreciation and amortisation expenses	5	0.96	4.12
Other expenses	28	144.46	64.17
IV Total expenses		2,591.66	2,801.39
V Profit before exceptional item and tax (III - IV)		1,088.50	1,046.11
VI Exceptional Item	45	152.95	-
VII Profit before tax (V - VI)		935.55	1,046.11
VIII Tax expenses	29		
Current tax		330.64	244.83
Deferred tax		2.58	123.41
Adjustment of tax relating to earlier years		36.89	0.47
Total tax expenses		370.11	368.71
IX Profit for the year (VII - VIII)		565.44	677.40
X Other Comprehensive Income			
Items that will not to be reclassified to profit or loss in subsequent periods			
Re-measurements (losses) / gain on defined benefit plans (net of tax) (refer note 34)		0.37	(0.01)
Income Tax Effect			
Total Other Comprehensive Income for the year (net of tax)		0.37	(0.01)
XI Total Comprehensive Income for the year, net of tax (IX+X)		565.81	677.39
Earning per share [Face Value of share INR 10/- (31 March, 2018-INR 10/-)]			
Basic and diluted (in INR)	33	1.61	1.92
Summary of significant accounting policies	3		
The accompanying notes are an integral part of these Standalone financial statements			

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003
per Sukrut Mehta
Partner
Membership No.: 101974
Date: May 27, 2019
Place: Ahmedabad

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: W100188
per Devansh Gandhi
Partner
Membership No.: 129255
Date: May 27, 2019
Place: Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited
Vasistha Patel
Managing Director
DIN: 00048324
Hardik Modi
Company Secretary
Membership No.: F9193
Date: May 27, 2019
Place: Ahmedabad
Shashin Patel
Director
DIN: 00048328
Varun Mehta
Chief Financial Officer

Statement of Changes in Equity for the year ended March 31, 2019

A Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid (Note-13)	Number of shares	INR in Million
As at April 01, 2017	352,225,216	3,522.25
Add/(Less): Changes during the year	-	-
As at March 31, 2018	352,225,216	3,522.25
Add/(Less): Changes during the year	-	-
As at March 31, 2019	352,225,216	3,522.25

B Other Equity

(INR in Million)

Particulars	Equity Component of Compound Financial Instruments (Note 14)	Reserves and Surplus				Total
		Securities Premium (Note 14)	Debenture Redemption Reserve (Note 14)	General Reserve (Note 14)	Retained Earning (Note 14)	
As at April 01, 2017	532.22	9,039.27	333.55	-	-	9,905.04
Profit for the year	-	-	-	-	677.40	677.40
Other comprehensive Income						
Re-measurements (losses) on defined benefit plans	-	-	-	-	(0.01)	(0.01)
Total comprehensive income for the year	-	-	-	-	677.39	677.39
Interim Dividend Paid (including Dividend Distribution tax)	-	-	-	-	(85.20)	(85.20)
Transfer to debenture redemption reserve	-	-	462.19	-	(462.19)	-
As at March 31, 2018	532.22	9,039.27	795.74	-	130.00	10,497.23
As at April 01, 2018	532.22	9,039.27	795.74	-	130.00	10,497.23
Profit for the year	-	-	-	-	565.44	565.44
Other comprehensive Income						
Re-measurements gain on defined benefit plans	-	-	-	-	0.37	0.37
Total comprehensive income for the year	-	-	-	-	565.81	565.81
Final Dividend Paid (including dividend distribution tax)	-	-	-	-	(126.78)	(126.78)
Interim Dividend Paid (including dividend distribution tax)	-	-	-	-	(84.75)	(84.75)
Transfer to debenture redemption reserve	-	-	358.93	-	(358.93)	-
Transfer to General reserve	-	-	(478.45)	478.45	-	-
As at March 31, 2019	532.22	9,039.27	676.22	478.45	125.35	10,851.50

The accompanying notes are an integral part of these Standalone financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Date: May 27, 2019
Place: Ahmedabad

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

per Devansh Gandhi
Partner
Membership No.: 129255

Date: May 27, 2019
Place: Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Vasistha Patel
Managing Director
DIN: 00048324

Hardik Modi
Company Secretary
Membership No.: F9193

Date: May 27, 2019
Place: Ahmedabad

Shashin Patel
Director
DIN: 00048328

Varun Mehta
Chief Financial Officer

Cash flow statement for the year ended March 31, 2019

(INR in Million)

Particulars	March 31, 2019	March 31, 2018
Cash flows from operating activities		
Profit before tax	935.55	1,046.11
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	0.96	4.12
Interest and other borrowing cost	1,748.51	1,634.20
Profit on sale of units of mutual funds	(0.43)	(0.13)
Liabilities no longer required written back	(123.44)	-
Interest Income	(606.02)	(469.45)
Operating profit before working capital changes	1,955.13	2,214.85
Movement in Working Capital:		
(Increase) in other financial asset	(20.11)	(17.96)
(Increase) / Decrease in other assets	(80.98)	60.40
(Increase) in trade receivables	(261.89)	(531.07)
Increase in other financial liabilities	8.51	9.23
(Decrease) / Increase in other liabilities and provisions	(143.99)	433.35
Increase in trade payables	27.95	355.80
Cash generated from operations	1,484.62	2,524.60
Direct taxes paid / (refunded) (including TDS) (net)	289.07	162.79
Net cash flow generated from operating activities (A)	1,195.55	2,361.81
Cash flows from investing activities		
Purchase of property plant and equipment	(0.75)	(0.14)
Proceeds from sale of property plant and equipment	-	2.64
Investments in subsidiaries	(667.37)	(262.25)
Short term loan given	(2,960.19)	(2,085.40)
Short term loan received	2,410.66	807.77
Perpetual debt given (refer note 3 below)	(1,314.63)	(1,278.55)
Perpetual debt received back	-	223.30
Investments in bank deposits (having original maturity of more than three months)	(95.35)	(28.37)
Redemption of bank deposits (having original maturity of more than three months)	21.08	-
Purchase of mutual fund units	(368.40)	(75.00)
Redemption of mutual fund units	368.82	75.13
Interest received	511.14	117.34
Net cash flow (used in) investing activities (B)	(2,094.99)	(2,503.52)
Cash flows from financing activities		
Proceeds from non-current borrowings	3,600.00	-
Repayment of non-current borrowings	(2,404.32)	(281.08)
Proceeds from current borrowings	6,017.49	2,081.76
Repayment of current borrowings	(4,555.67)	(1,044.16)
Dividend paid on equity shares (including dividend distribution tax)	(211.53)	(85.20)
Interest and other borrowing cost paid	(1,555.70)	(551.76)
Net cash generated from financing activities (C)	890.28	119.58
Net (decrease) in cash and cash equivalents (A+B+C)	(9.16)	(22.13)
Cash and cash equivalents at beginning of the year	13.61	35.74
Cash and cash equivalents at end of the year	4.44	13.61

Cash flow statement for the year ended March 31, 2019

Notes:

(INR in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
1. Components of Cash and Cash Equivalents (Refer note 9)		
Cash on hand	0.01	0.01
Balance with scheduled banks		
in Current accounts	4.40	13.57
in Current accounts earmarked for unpaid share application refund money	0.03	0.03
Cash and Cash equivalents at the end of year	4.44	13.61

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

3. During the previous year, the company has converted short term loan given to a subsidiary of INR 350.00 Million into a subordinate debt. Thus, the impact of these transaction has not been given in the standalone cash flow statement.

4. **Changes in liabilities arising from financing activities:**

(INR in Million)

Particulars	April 1, 2018	Net Cash flow	Change in fair value	Others*	March 31, 2019
Non-current borrowings (including current maturities)	8,075.34	1,195.68	38.61	-	9,309.63
Current borrowings	5,581.16	1,461.82	-	-	7,042.98
Interest accrued	1,875.63	(1555.70)	-	1709.92	2,029.85
Total	15,532.13	1101.82	38.61	1709.92	18,382.46

Particulars	April 1, 2017	Net Cash flow	Change in fair value	Others*	March 31, 2018
Non-current borrowings (including current maturities)	8,321.63	(281.08)	34.80	-	8,075.34
Current borrowings	4,543.55	1,037.61	-	-	5,581.16
Interest accrued	827.99	(521.30)	-	1,568.94	1,875.63
Total	13,693.17	235.23	34.80	1,568.94	15,532.13

* Represent interest accrued during the year

5. Figures in brackets represents cash outflows.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Date: May 27, 2019
Place: Ahmedabad

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

per Devansh Gandhi
Partner
Membership No.: 129255

Date: May 27, 2019
Place: Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Vasistha Patel
Managing Director
DIN: 00048324

Hardik Modi
Company Secretary
Membership No.: F9193

Date: May 27, 2019
Place: Ahmedabad

Shashin Patel
Director
DIN: 00048328

Varun Mehta
Chief Financial Officer

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

1. Company information:

Sadbhav Infrastructure Project Limited (the "Company or SIPL") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the company is located at "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge, Ahmedabad – 380 006.

The Company is engaged in development, construction as well as operation & maintenance of infrastructure projects and related consulting and advisory services. The Company undertakes infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements. The Company is a subsidiary of Sadbhav Engineering Limited ("SEL"), a listed company, engaged in providing engineering, procurement and construction services ("EPC") in the road and other infrastructure projects.

The Standalone Financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 27, 2019.

2. Basis of preparation:

The Standalone Financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act 2013, (Ind AS compliant Schedule III), as applicable to Standalone Financial statements.

These Standalone Financial statements have been prepared on a historical cost convention and on an accrual basis, except for the followings assets and liabilities which have been measured at fair value:

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

The Standalone Financial statements are presented in INR and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

3. Summary of significant accounting policies

The following are the significant accounting policies applied by the company in preparing its Standalone 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 realized or intended to be sold or consumed in the normal operating cycle;
- Expected to be realized within twelve months after the reporting period;
- Held primarily for the purpose of trading; 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;
- Held primarily for the purpose of trading; 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 Property, Plant and Equipment

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

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the Standalone Statement of profit and loss for the period during which such expenses are incurred.

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

Derecognition

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

Depreciation

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

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3.3 Impairment – Non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset which is based on the discounting of estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the Standalone Statement of profit and loss.

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

3.4 Revenue from contract with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Construction services

Revenue from construction services is recognized over a period as the customer simultaneously receives and consumes the benefits provided by the Company and measure revenue based on input method i.e. revenue recognized on the basis of cost incurred to satisfaction of a performance obligation relative to the total expected cost to the satisfaction of that performance obligation. If the outcome of a performance obligation satisfied over time cannot be reasonably measured, revenue is calculated using the zero-profit method in the amount of the contract costs incurred and probably recoverable.

The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

Operation and Maintenance and Project management services:

For Operation & maintenance and Project management services contracts, in which the company has the right to consideration from the customer in an amount that corresponds directly with the value to the customer of the company's performance completed to date, revenue is recognized when services are performed and contractually billable. Goods and Service tax collected on behalf of the government is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Variable Consideration

The nature of the company's contracts gives rise to several types of variable consideration, including claims, change in law, liquidated damages and penalties. The company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The company estimates the amount of revenue to be recognized on variable consideration using the expected value (i.e., the sum of a probability-weighted amount) or the most likely amount method, whichever is expected to better predict the amount.

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

Contract Balances:

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to customer. If the company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade Receivable

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the company performs under the contract.

3.5 Other Income

Gain or loss on sale of Mutual Fund

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

Interest

Interest income primarily comprise of interest from deposit with bank. Interest Income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, 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 (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend

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

3.6 Investment Property

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price, borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the Standalone Statement of profit and loss for the period during which such expenses are incurred.

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

3.7 Inventory

Project Inventories are valued at lower of cost and net realizable value. Cost comprise all cost of purchase, and other costs incurred in bringing the inventories to their present location and condition. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that company incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 – Borrowing Cost.

3.9 Leases

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

Company as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the company is classified as a finance lease. An operating lease is a lease other than a finance lease.

Operating lease payments are recognized as an operating expense in the Standalone 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.

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

3.10 Investment in subsidiaries

Investments in subsidiaries are recognized at cost as per Ind AS 27. If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a subsidiary (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognize impairment loss with respect to the Company's investment in a subsidiary.

3.11 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.

ii. Subsequent measurement of financial assets

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

- Financial assets at amortized cost
- 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.

• Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the above conditions mentioned in "Financial assets at amortized cost" are met. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

• Perpetual debt

The Company invests in a subordinated perpetual debt, without coupon and redeemable at the issuer's option. The Company classifies these instruments as equity under Ind AS 32.

• Financial assets at fair value through profit or loss:

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

iii. De-recognition of financial assets

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

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

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

iv. Impairment of financial assets

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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 recognized initially at fair value in case of loan and borrowings and payable, fair value is reduced by directly attributable transaction costs.

ii. Subsequent measurement of financial liabilities

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

• Financial liabilities at fair value through profit or loss

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

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 on changes in fair value of such liability are recognized in the Standalone Statement of Profit and Loss.

• Loans and Borrowings

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.

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

• Financial guarantee contracts

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognized from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another liability 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 amount is recognized in the Standalone Statement of Profit and 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.

3.12 Fair Value Measurement

The company measures financial instruments 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

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

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

The company's management determines the policies and procedures for both recurring fair value measurement.

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.

3.13 Employee Benefits

a) Short Term Employee Benefits

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

b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme is defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognized and charged to Standalone Statement of Profit and Loss during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet.

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

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

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

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

c) Other Employment benefits

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date. As per Company's policy, no leave are expected to be carried forward beyond 12 month from the reporting date.

3.14 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 are 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 except when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized 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 except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

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.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the Standalone Statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the Standalone Statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

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

3.15 Provisions

Provisions are 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 Standalone Statement of Profit and Loss net of any reimbursement, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provision are reviewed at each balance sheet and adjusted to reflect the current best estimates.

3.16 Contingent liabilities

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 Standalone Financial statements. Contingent liabilities are reviewed at each balance sheet date.

3.17 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which is subject to an insignificant risk of changes in value. For the purpose of the Standalone Statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

3.18 Cash dividend distribution to equity holders

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

3.19 Earnings per share

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

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

3.20 Segment reporting

Based on management approach as defined in Indian Accounting Standard 108 – Operating Segment, Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker for evaluation of Company's performance.

3.21 Changes accounting policies and disclosure

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 115 Revenue from Contracts with Customer

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. There were no significant adjustments required to the retained earnings as at April 01, 2018. The adoption of the standard did not have any material impact on these Standalone Financial statements.

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

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on these Standalone Financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

4. Significant accounting judgments, estimates and assumptions

The preparation of the Company's Standalone 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 Standalone 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.

Impairment of Investments

The Company reviews its carrying value of its investments carried at cost annually, or more frequently when there is indication for impairments. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

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.

Revenue from contract with customer

The Company uses the input method for recognizing construction revenue. Use of the input method requires the company to estimate the efforts or costs expended to the date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion of performance obligation as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted performance obligation are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Due to technical complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

5. Property, Plant and Equipments

(INR in Million)

Particulars	Office equipments	Computers	Machineries	Vehicles	Total
Gross Block					
As at April 01, 2017	0.01	0.10	15.08	0.26	15.45
Addition	-	0.14	-	-	0.14
Disposal / adjustment	-	-	6.93	-	6.93
As at March 31, 2018	0.01	0.24	8.15	0.26	8.66
Addition	-	0.75	-	-	0.75
Disposal / adjustment	-	-	-	-	-
As at March 31, 2019	0.01	0.99	8.15	0.26	9.41
Accumulated Depreciation					
As at April 01, 2017	0.01	0.05	6.82	0.14	7.02
Charge for the year	-	0.09	3.95	0.08	4.12
On disposal /adjustment	-	-	4.29	-	4.29
As at March 31, 2018	0.01	0.14	6.48	0.22	6.85
Charge for the year	-	0.11	0.82	0.03	0.96
On disposal /adjustment	-	-	-	-	-
As at March 31, 2019	0.01	0.25	7.30	0.25	7.81
Net Block					
As at March 31, 2018	-	0.10	1.67	0.04	1.81
As at March 31, 2019	-	0.74	0.85	0.01	1.60

Notes:

- The Company has elected to continue with the carrying value for all of its Property, plant and equipments as recognised in its previous GAAP (Indian accounting principle generally accepted in India as prescribed under section 133 of the Company Act, 2013 read with the Companies (Accounts) Rules, 2014), as deemed cost at the transition date i.e. April 1, 2015 as per option permitted under Ind AS 101 for the first time adoption.
- Property, Plant and Equipments have been pledged against non-current borrowings in order to fulfill the collateral requirement for the Lenders (refer note 15).

6. Investment Property

(INR in Million)

Particulars	Freehold Land	Total
Gross Block		
As at April 01, 2017	2.88	2.88
Addition	-	-
Disposal / adjustment	-	-
As at March 31, 2018	2.88	2.88
Addition	-	-
Disposal / adjustment	-	-
As at March 31, 2019	2.88	2.88
Accumulated Depreciation		
As at April 01, 2017	-	-
Addition	-	-
On disposal /adjustment	-	-
As at March 31, 2018	-	-
Charge for the year	-	-
On disposal /adjustment	-	-
As at March 31, 2019	-	-
Net Block		
As at March 31, 2018	2.88	2.88
As at March 31, 2019	2.88	2.88

Notes:

- There is no income arising from above investment properties. Further, the company has not incurred any expenditure for above property.
- There are three lands with the company of which two lands are situated at Kadi Gujarat and one land at Tiruvallur, Chennai. These lands have been mortgaged against non-current borrowings to fulfill the collateral requirements of lenders (refer note 15).
- The Company has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- The fair value disclosure for investment property is not given as the property is acquired specifically for offering as security for non-current borrowings and based on the information available with the management that there are no material development in the area where lands are situated and accordingly, management believes that there is no material difference in fair value and carrying value of property.

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

7. Investments

(INR in Million)

	March 31, 2019	March 31, 2018
Trade Investments		
Unquoted		
In Equity Shares of subsidiaries (valued at cost)		
10,460,000 (31 March 2018: 10,460,000) fully paid up equity shares of INR 10 each in Ahmedabad Ring Road Infrastructure Limited (ARRIL)	1,036.80	1,036.80
1,971,053 (31 March 2018: 1,971,053) fully paid up equity shares of INR 10 each in Aurangabad Jalna Tollway Limited (AJTL)	835.73	835.73
77,739,200 (31 March 2018: 77,739,200) fully paid up equity shares of INR 10 each in Bijapur Hungund Tollway Private Limited (BHTPL) (refer note (c) below)	777.39	777.39
3,247,383 (31 March 2018: 3,247,383) fully paid up equity shares of INR 10 each in Hyderabad Yadgiri Tollway Private Limited (HYTPL) (refer note (c) below)	173.24	173.24
2,186,445 (31 March 2018: 2,186,445) fully paid up equity shares of INR 10 each in Rohtak Panipat Tollway Private Limited (RPTPL) (refer note (c) below)	217.74	217.74
49,815 (31 March 2018: 45,500) fully paid up equity shares of INR 10 each in Maharashtra Border Check Post Network Limited (MBCPNL) (refer note (d) below)	507.73	280.13
33,743,237 (31 March 2018: 33,743,237) fully paid up equity shares of INR 10 each in Shreenathji-Udaipur Tollway Private Limited (SUTPL)	337.43	337.43
17,340,000 (31 March 2018: 17,340,000) fully paid up equity shares of INR 10 each in Bhilwara-Rajsamand Tollway Private Limited (BRTPL)	173.40	173.40
10,768,000 (31 March 2018: 10,768,000) fully paid up equity shares of INR 10 each in Rohtak-Hissar Tollway Private Limited (RHTPL) (refer note (c) below)	107.68	107.68
47,999,700 (31 March 2018: 47,999,700) fully paid up equity shares of INR 10 each in Nagpur Seoni Expressway Limited (NSEL) (refer note (c) below)	316.77	316.77
68,779,700 (31 March 2018: 68,779,700) fully paid up equity shares of INR 10 each in Dhule Palenser Tollway Limited (DPTL)	556.59	556.59
4,000,000 (31 March 2018: 4,000,000) fully paid up equity shares of INR 10 each in Sadbhav Bhavnagar Highway Private Limited (SBHPL)	40.00	40.00
1,000,000 (31 March 2018: 1,000,000) fully paid up equity shares of INR 10 each in Sadbhav Nainital Highway Private Limited (SNHPL)	10.00	10.00
1,000,000 (31 March 2018: 1,000,000) fully paid up equity shares of INR 10 each in Sadbhav Rudrapur Highway Private Limited (SRHPL)	10.00	10.00
4,000,000 (31 March 2018: 4,000,000) fully paid up equity shares of INR 10 each in Sadbhav Una Highway Private Limited (SUHPL)	40.00	40.00
30,902,690 (31 March 2018: 15,125,000) fully paid up equity shares of INR 10 each in Sadbhav Bangalore Highway Private Limited (SBHPL)	309.03	151.25
9,650,000 (31 March 2018: 50,000) fully paid up equity shares of INR 10 each in Sadbhav Vidarbha Highway Private Limited (SVHPL)	96.50	0.50
17,799,340 (31 March 2018: 11,050,000) fully paid up equity shares of INR 10 each in Sadbhav Udaipur Highway Private Limited (SUDHPL)	177.99	110.50
11,650,000 (31 March 2018: 50,000) fully paid up equity shares of INR 10 each in Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	116.50	0.50
50,000 (31 March 2018: NIL) fully paid up equity shares of INR 10 each in Sadbhav Tumkur Highway Private Limited (STHPL)	0.50	-
50,000 (31 March 2018: NIL) fully paid up equity shares of INR 10 each in Sadbhav Kim Expressway Private Limited (SKEPL)	0.50	-
50,000 (31 March 2018: NIL) fully paid up equity shares of INR 10 each in Sadbhav Bhimasar Bhuj Highway Private Limited (SBBHPL)	0.50	-
50,000 (31 March 2018: NIL) fully paid up equity shares of INR 10 each in Sadbhav Vizag Port Road Private Limited (SVPRPL)	0.50	-

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

	(INR in Million)	
	March 31, 2019	March 31, 2018
50,000 (31 March 2018: NIL) fully paid up equity shares of INR 10 each in Sadbhav Hybrid Annuity Projects Limited (SHAPL)	0.50	-
	5,843.02	5,175.65
Investment in Perpetual Debts (valued at cost) (refer notes (b) and (c) below)		
Sub-ordinate Debts	20,371.70	19,057.07
Total	26,214.72	24,232.72

Note:

- (a) Aggregate cost of unquoted investments (including perpetual debts) as at March 31, 2019 INR 26,214.72 million (previous year: INR 24,232.72 million).
- (b) Investment in perpetual debts in form of Sub-ordinate debts are interest free, redeemable at issuer's option and redemption can be deferred indefinitely as per the terms of contract.
- (c) The Company is having investments (including perpetual debts) of INR 6,551.14 million (March 31, 2018: 6,270.86 million) to operating subsidiaries, engaged in construction, operation and maintenance of infrastructure project under concession agreement with National Highways Authorities of India. The net worth of such companies has fully eroded based on their latest financial statements.
Considering the gestation period required for break even for such infrastructure investments, expected higher cash flows based on future business projections, claims lodged and its expected receipts, debt refinancing and the strategic nature of these investments, no provision/adjustment to the carrying value of the said investments (including perpetual debts) as at March 31, 2019 is considered necessary by the management.
- (d) i) Pursuant to Share purchase agreement dated November 04, 2014 between the company, Sadbhav Engineering Limited (SEL) and Maharashtra Border Checkpost Network Limited (MBCPNL), the company will acquire 5,000 equity shares of MBCPNL from SEL which in turn SEL needs to acquire from SRE Infrastructure Finance Limited (SREI) and SRE Sahaj e- village Limited (SREIS), after three years from COD, as per option agreement executed on November 11, 2011 between SEL, SREI and SREIS. As at reporting date, the MBCPNL project has not yet achieved full COD and hence the shares will be transferred on completion of 3 years post achievement of full COD.
- ii) The "Share Purchase cum Shareholder cum Subordinate Debt Agreement" dated January 16, 2017 entered between the Company, SEL, MBCPNL and D. Thakkar Constructions Private Limited, for transfer of portion of equity shares of 1,315 by SIPL and SEL to D. Thakkar Constructions Private Limited has been cancelled by all the parties, pursuant to which as per memorandum of understanding (MOU) dated January 17, 2017 with SEL and the company, SEL will transfer all MBCPNL share held by SEL to the company. As at reporting date, the procedure for transfer of shares of equity shares were in progress.
- (e) The Company has pledged following investment in equity shares of subsidiaries, in favour of lenders for term loan facilities availed by the respective SPVs:

	March 31, 2019		
	Total Shares Held	Shares Pledged	% of shares pledged
Ahmedabad Ring Road Infrastructure Limited	10,460,000	3,138,000	30.00%
Aurangabad Jalna Tollway Limited	1,971,053	591,315	30.00%
Bhilwara-Rajsamand Tollway Private Limited	17,340,000	5,202,000	30.00%
Bijapur Hungund Tollway Private Limited	77,739,200	51,489,600	66.23%
Hyderabad Yadgiri Tollway Private Limited	3,247,383	1,656,166	51.00%
Maharashtra Border Check Post Network Limited	49,815	15,000	30.11%
Nagpur Seoni Expressway Limited	47,999,700	47,520,000	99.00%
Rohtak-Hissar Tollway Private Limited	10,768,000	5,491,681	51.00%
Rohtak Panipat Tollway Private Limited	2,186,445	1,115,087	51.00%
Shreenathji-Udaipur Tollway Private Limited	33,743,237	10,122,971	30.00%
Dhule Palenser Tollway Limited	68,779,700	22,697,400	33.00%
Sadbhav Una Highway Private Limited	4,000,000	2,040,000	51.00%

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

	March 31, 2019		
	Total Shares Held	Shares Pledged	% of shares pledged
Sadbhav Bhavnagar Highway Private Limited	4,000,000	2,040,000	51.00%
Sadbhav Rudrapur Highway Private Limited	1,000,000	510,000	51.00%
Sadbhav Nainital Highway Private Limited	1,000,000	510,000	51.00%
Sadbhav Jodhpur Ring Road Private Limited	11,650,000	5,941,500	51.00%
Sadbhav Tumkur Highway Private Limited	50,000	-	-
Sadbhav Udaipur Highway Private Limited	17,799,340	5,635,500	31.66%
Sadbhav Bangalore Highway Private Limited	30,902,690	15,760,372	51.00%
Sadbhav Vidarbha Highway Private Limited	9,650,000	4,728,500	49.00%
Sadbhav Kim Expressway Private Limited	50,000	-	-
Sadbhav Bhimasar Bhuj Highway Private Limited	50,000	25,500	51.00%
Sadbhav Vizag Port Road Private Limited	50,000	-	-
Sadbhav Hybrid Annuity Projects Limited	50,000	25,500	51.00%

	March 31, 2018		
	Total Shares Held	Shares Pledged	% of shares pledged
Ahmedabad Ring Road Infrastructure Limited	10,460,000	3,138,000	30.00%
Aurangabad Jalna Tollway Limited	1,971,053	591,315	30.00%
Bhilwara-Rajsamand Tollway Private Limited	17,340,000	8,843,400	51.00%
Bijapur Hungund Tollway Private Limited	77,739,200	51,489,600	66.23%
Hyderabad Yadgiri Tollway Private Limited	3,247,383	1,656,166	51.00%
Maharashtra Border Check Post Network Limited	45,500	13,453	29.57%
Nagpur Seoni Expressway Limited	47,999,700	47,520,000	99.00%
Rohtak-Hissar Tollway Private Limited	10,768,000	5,491,681	51.00%
Rohtak Panipat Tollway Private Limited	2,186,445	1,115,087	51.00%
Shreenathji-Udaipur Tollway Private Limited	33,743,237	10,122,971	30.00%
Dhule Palenser Tollway Limited	68,779,700	22,697,400	33.00%
Sadbhav Una Highway Private Limited	4,000,000	2,040,000	51.00%
Sadbhav Bhavnagar Highway Private Limited	4,000,000	2,040,000	51.00%
Sadbhav Rudrapur Highway Private Limited	1,000,000	510,000	51.00%
Sadbhav Nainital Highway Private Limited	1,000,000	510,000	51.00%
Sadbhav Jodhpur Ring Road Private Limited	50,000	-	-
Sadbhav Tumkur Highway Private Limited	50,000	-	-
Sadbhav Udaipur Highway Private Limited	11,050,000	3,315,000	30.00%
Sadbhav Bangalore Highway Private Limited	15,125,000	7,713,750	51.00%
Sadbhav Vidarbha Highway Private Limited	50,000	15,000	30.00%
Sadbhav Kim Expressway Private Limited	-	-	-
Sadbhav Bhimasar Bhuj Highway Private Limited	-	-	-
Sadbhav Vizag Port Road Private Limited	-	-	-
Sadbhav Hybrid Annuity Projects Limited	-	-	-

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

- (f) Following investment in equity shares of subsidiaries are pledged in favour of lenders for long term borrowing availed by the company.

	March 31, 2019		
	Total Shares Held	Shares Pledged	% of shares pledged
Ahmedabad Ring Road Infrastructure Limited	10,460,000	7,321,940	70.00%
Maharashtra Border Check Post Network Limited	49,815	8,000	16.06%
Rohtak Panipat Tollway Private Limited	2,186,445	1,071,198	48.99%
Aurangabad Jalna Tollway Limited	1,971,053	965,816	49.00%
Bhilwara-Rajsamand Tollway Private Limited	17,340,000	8,496,450	49.00%
Dhule Palenser Tollway Limited	68,779,700	46,082,270	67.00%
Hyderabad Yadgiri Tollway Private Limited	3,247,383	616,663	18.99%
Shreenathji-Udaipur Tollway Private Limited	33,743,237	15,184,457	45.00%

	March 31, 2018		
	Total Shares Held	Shares Pledged	% of shares pledged
Ahmedabad Ring Road Infrastructure Limited	10,460,000	7,321,940	70.00%
Maharashtra Border Check Post Network Limited	45,500	23,000	50.55%
Rohtak Panipat Tollway Private Limited	2,186,445	1,071,198	48.99%
Aurangabad Jalna Tollway Limited	1,971,053	965,816	49.00%
Bhilwara-Rajsamand Tollway Private Limited	-	-	-
Dhule Palenser Tollway Limited	-	-	-
Hyderabad Yadgiri Tollway Private Limited	3,247,233	616,663	18.99%
Shreenathji-Udaipur Tollway Private Limited	33,743,087	15,184,457	45.00%

- (g) Following investment in equity shares of subsidiaries are pledged in favour of lenders for long term borrowing availed by Sadbhav Hybrid Annuity Projects Limited, one of the subsidiary of the company.

	March 31, 2019		
	Total Shares Held	Shares Pledged	% of shares pledged
Sadbhav Una Highway Private Limited	4,000,000	1,960,000	49.00%
Sadbhav Bhavnagar Highway Private Limited	4,000,000	1,960,000	49.00%
Sadbhav Rudrapur Highway Private Limited	1,000,000	490,000	49.00%
Sadbhav Nainital Highway Private Limited	1,000,000	490,000	49.00%
Sadbhav Jodhpur Ring Road Private Limited	11,650,000	5,708,500	49.00%
Sadbhav Vidarbha Highway Private Limited	9,650,000	4,728,485	49.00%
Sadbhav Udaipur Highway Private Limited	17,799,340	5,414,440	30.42%
Sadbhav Bangalore Highway Private Limited	30,902,690	15,142,318	49.00%

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

	March 31, 2018		
	Total Shares Held	Shares Pledged	% of shares pledged
Sadbhav Una Highway Private Limited	-	-	-
Sadbhav Bhavnagar Highway Private Limited	-	-	-
Sadbhav Rudrapur Highway Private Limited	-	-	-
Sadbhav Nainital Highway Private Limited	-	-	-
Sadbhav Jodhpur Ring Road Private Limited	-	-	-
Sadbhav Vidarbha Highway Private Limited	-	-	-
Sadbhav Udaipur Highway Private Limited	-	-	-
Sadbhav Bangalore Highway Private Limited	-	-	-

8. Trade receivables

(INR in Million)

	March 31, 2019	March 31, 2018
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured (refer note 38)	1,467.66	1,205.77
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total	1,467.66	1,205.77

Notes

- (a) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. None of the trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (b) For terms and conditions relating to related party receivable, refer note 38.
- (c) Trade receivables are non-interest bearing and generally on terms of 30 to 90 days.

9. Cash and Bank Balance

(INR in Million)

	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Cash on hand	0.01	0.01
Balance With Banks		
In Current Accounts	4.40	13.57
In current accounts earmarked for unpaid share application refund money	0.03	0.03
Total	4.44	13.61
Other Bank Balances		
Deposits with original maturity over 3 months but less than 12 months (refer note below)	-	21.08
Total	-	21.08

Note

During previous year, Fixed deposit was lying with the bank in the name of IL&FS Trust Company Limited (ITCL) designated account as per terms of debenture trust cum mortgage deed towards debt servicing reserve of redeemable non-convertible debentures (NCD) of INR 1,124.32 million. During current year, IL&FS debentures have been repaid in full.

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

10. Loans

(INR in Million)

	March 31, 2019	March 31, 2018
Loans Receivables considered good - Unsecured		
Loans to related parties (refer note 38)	5,122.07	4,572.54
Inter corporate loans	170.71	170.71
Total	5,292.78	4,743.25
Current	5,292.78	4,743.25
Non-current	-	-
Total	5,292.78	4,743.25

Note

a) The Company has granted interest bearing loans in the nature of loans aggregating INR 5,122.07 million (March 31, 2018: INR 4,572.54 million)(including renewals on due dates) as at March 31, 2019 to its subsidiaries. The funds are advanced based on business needs of the subsidiaries in accordance with Lender's loan agreements and Sponsor Support and Equity Contribution Agreement of the respective SPV entities.

b) Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loans in other categories as required to be disclosed by Schedule III of the Companies Act 2013 viz: a) secured b) loans which have significant increase in credit risk and c) credit impaired is not applicable and accordingly, not disclosed.

11. Other financial assets (unsecured, considered good)

(INR in Million)

	March 31, 2019	March 31, 2018
Non Current		
Fixed deposits with banks having more than 12 months maturity	123.78	28.43
Total - A	123.78	28.43
Current		
Receivable from subsidiaries (refer note 38)	101.61	78.67
Interest receivable from related parties (refer note 38)	827.09	732.81
Interest receivable on fixed deposit with bank	1.39	0.79
Others	0.30	3.12
Total - B	930.39	815.39
Total = A+B	1,054.17	843.82

12. Other Assets

(INR in Million)

	March 31, 2019	March 31, 2018
Non Current		
Advance income tax (net of provisions)	3.66	3.66
Deposits (refer note 39)	4.32	4.32
Tax credits and receivables	10.80	11.04
Total - A	18.78	19.02
Current		
Advances to vendor	12.97	14.90
Loans to employees	5.20	2.00
Prepaid expenses	19.77	11.55
Contract assets (refer note 37)	81.49	9.76
Total - B	119.43	38.21
Total = A+B	138.21	57.23

Notes to Standalone 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 INR 10 each	403,000,000	4,030.00	403,000,000	4,030.00
	403,000,000	4,030.00	403,000,000	4,030.00
Issued, subscribed and fully paid				
Equity shares of INR 10 each	352,225,216	3,522.25	352,225,216	3,522.25
Total	352,225,216	3,522.25	352,225,216	3,522.25

(a) Reconciliation of the 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	352,225,216	3,522.25	352,225,216	3,522.25
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	352,225,216	3,522.25	352,225,216	3,522.25

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the residual assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company:

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

	(INR in Million)	
	March 31, 2019	March 31, 2018
Sadbhav Engineering Limited, holding company 243,213,577 (31 March 2018: 242,223,427) equity shares	2,432.14	2,422.23

(d) Details of shareholders holding more than 5% shares in the Company:

Particulars	March 31, 2019		March 31, 2018	
	No. of Shares	% holding in class	No. of Shares	% holding in class
Equity shares of INR 10/- each fully paid				
Sadbhav Engineering Limited	243,213,577	69.05%	242,223,427	68.77%
Norwest Venture Partners VII-A Mauritius	29,121,860	8.27%	29,121,860	8.27%
Nomura India Investment Fund Mother Fund	26,255,995	7.45%	26,255,995	7.45%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number of equity shares allotted as fully paid-up for consideration other than cash during 5 years immediately preceding the date of balance sheet:

The Company had issued 282,693,710 equity shares of INR 10/- each as fully paid bonus shares in the ratio of 10:1 by capitalisation of INR 2,826.94 million from Securities Premium Account in the financial year 2014-15.

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

14. Other Equity

(INR in Million)

	March 31, 2019	March 31, 2018
14.1 Equity Component of Compound Financial Instrument (refer note 38)		
Balance at the beginning of the year	532.22	532.22
Balance at the end of the year	532.22	532.22
<p>Interest free loan given by Holding company (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby Holding company has given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014.</p> <p>Accordingly, this Interest free loan has been bifurcated into liability and equity components based on the terms of the contract and equity components has been accounted under Other Equity and liability component under Long term borrowings (refer note 15). Interest on liability component is recognised using the effective interest method.</p>		
14.2 Securities premium account		
Balance at the beginning of the year	9,039.27	9,039.27
Add: Addition during the year		
Deferred tax assets	-	-
Balance at the end of the year	9,039.27	9,039.27
<p>The amount received in excess of face value of the equity shares is recognised in Securities Premium. This reserve is available for utilization in accordance with the provisions of the Companies Act, 2013.</p>		
14.3 Debenture Redemption Reserve		
Balance at the beginning of the year	795.74	333.55
Add: Transfer from surplus of statement of profit & loss	358.93	462.19
Less: Transfer to General reserves	(478.45)	-
Balance at the end of the year	676.22	795.74
<p>The Company has issued redeemable non-convertible debentures (refer note 15). Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create Debenture Redemption Reserve ("DRR") out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. DRR is required to be created over the life of debentures and upon redemption of debentures, DRR is required to be transferred to general reserve. Accordingly, the company has transferred INR 358.93 million (March 31, 2018 INR 462.19 million) to DRR out of profit for the year and INR 478.45 million from DRR to general reserve upon redemption of debentures during the year. Further, the Company has created debenture redemption reserve to the extent surplus available for the purpose of creation of debenture redemption reserve during the year.</p>		
14.4 General Reserves		
Balance at the beginning of the year	-	-
Add: Transfer from Debenture redemption reserve	478.45	-
Balance at the end of the year	478.45	-
<p>General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer between components of equity to another and is not an item of other comprehensive income.</p>		
14.5 Retained Earnings		
Balance at the beginning of the year	130.00	-
Adjustment during year		
Add: Profit for the year	565.44	677.40
Less : Final dividend paid of 2017-18 (including dividend distribution tax)	(126.78)	-
Less : Interim dividend paid for the year (including dividend distribution tax)	(84.75)	(85.20)
Add / (Less) : Other comprehensive Income for the year (net of tax)	0.37	(0.01)
Less: Transfer to Debenture Redemption Reserve during the year	(358.93)	(462.19)
Balance at the end of the year	125.35	130.00
Total (14.1+14.2+14.3+14.4+14.5)	10,851.50	10,497.23

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

15. Non-Current Borrowings

(INR in Million)

	March 31, 2019	March 31, 2018
Secured		
Redeemable, Non Convertible Debentures		
1,200 (31 March 2018: 2,000) of INR 10,00,000 each	1,200.00	2,000.00
1,120 (31 March 2018: 1,600) of INR 10,00,000 each	1,120.00	1,600.00
Nil (31 March 2018: 1,124,324) of INR 1,000 each	-	1,124.32
3,000 (31 March 2018: 3,000) of INR 10,00,000 each	3,000.00	3,000.00
3,600 (31 March 2018: Nil) of INR 10,00,000 each	3,600.00	-
	8,920.00	7,724.32
Unsecured		
Liability Component of Compound Financial Instrument (refer note 38)	389.63	351.02
Total (A)	9,309.63	8,075.34
Less: Current maturities of non-current borrowing (refer note 19)		
Redeemable, Non Convertible Debentures	1,620.00	1,280.00
Total (B)	1,620.00	1,280.00
Total Non-current Borrowings (C=A-B)	7,689.63	6,795.34

(a) 1,200 (March 31, 2018: 2,000) Redeemable Non Convertible debentures (NCD) are secured by:

(i) first ranking charge created on 10,71,198 Shares of the Company in the Rohtak Panipat Tollway Private Limited (RPTPL); (ii) the Corporate guarantee by Sadbhav Engineering Limited ('SEL') (Holding Company); (iii) first and exclusive mortgage over the mortgaged property, in accordance with the respective security documents.

(b) 1,120 (March 31, 2018: 1,600) Redeemable Non Convertible debentures (NCD) are secured by:

(i) an unconditional, irrevocable and continuing corporate guarantee from Sadbhav Engineering Limited- holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of Sadbhav Engineering Limited (SEL) by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 56% of shares of Ahmedabad Ring Road Infrastructure Limited (ARRIL) representing 5,857,540 equity shares. (iv) Working Capital Demand Loan (WC DL) facility to the extent of next repayment instalment to be lien marked for the NCD to be obtained by the Company/ SEL and to be utilised only towards repayment of the NCD at least 20 days before each redemption payment date for amount which are due in next 20 days.

(c) Nil (March 31, 2018: 1,124,324) Redeemable Non Convertible debentures (NCD) are secured by:

(i) Pledge of 19.26% shareholding of the company representing 46,846,725 equity share held by Sadbhav Engineering Limited (SEL) the holding Company. (ii) Pledge of 30% shareholding of Maharashtra Border Check Post Network Limited representing 15,000 equity shares held by the Company and SEL. (iii) Unconditional and irrevocable corporate guarantee from SEL and personal guarantee of the Promoters i.e. Vishnubhai M. Patel. (iv) Second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the Company. (v) All bank account & assignment of all contract, documents, insurance, clearances and interest of the Company. The same has been released from pledge during the year upon full repayment of Non convertible debentures.

(d) 3,000 Redeemable, Non Convertible debentures (NCD) are secured by:

(i) Pledge of 15% shareholding of Shreenathji-Udaipur Tollway Private Limited representing 5,061,486 equity shares held by the Company. (ii) Pledge of 16% shareholding of Maharashtra Border Check Post Network Limited representing 8,000 equity shares held by the Company (iii) Pledge of 18.99% shareholding of Hyderabad Yadgiri Tollway Private Limited representing 616,663 equity shares held by the Company (iv) Pledge of 49% shareholding of Aurangabad-Jalna Tollway Limited representing 965,816 equity shares held by the Company (v) Pledge of 14% shareholding of Ahmedabad Ring Road Infrastructure Limited representing 1,464,400 equity shares held by the Company (v) A first charge over the Designated A/c-Debt Payments and all funds and monies lying therein present & future.

(e) 3,600 Redeemable, Non Convertible debentures (NCD) are secured by:

(i) First ranking pledge of 4,60,82,270 (67%) equity shares of Dhule Palesner Tollway Limited and 84,96,450 (49%) equity shares of Bhilwara-Rajsamand Tollway Private Limited so as to provide minimum security over of 1.5 times on the aggregate value of a) face value of outstanding debentures and b) accrued redemption premium and default interest (if any), (ii) the Corporate Guarantee by Sadbhav Engineering Limited ('SEL') (Holding Company); (iii) first ranking charge created by way of hypothecation over the designated account (iv) first and second ranking exclusive mortgage over the mortgaged property, in accordance with the respective Security Documents.

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

(f) Terms of Repayment for:

(i) 1,200 Redeemable Non-Convertible Debentures (NCDs)

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series B	500	11.75%	Bullet Repayment	13-Apr-20
Series C	700	5%	Bullet Repayment	13-Apr-20

The debenture holders at the end of year 3 and year 4 shall have the right to seek prepayment / early redemption of Series B and Series C debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 11.75% on value of the debentures for which the Put option is exercised.

(ii) 1,120 Redeemable , Non Convertible debentures (NCD):

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series II	480	9%	Bullet Repayment	18-Apr-19
Series III	640	9%	Bullet Repayment	18-Nov-19

The debenture holders at the end of year 3 and year 4 shall have the right to seek prepayment / early redemption of Series II and Series III debentures in whole or part or in such proportion as it may deem fit. Thereupon, the Company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 12.14% on the value of debentures for which the Put option is exercised.

(iii) 3,000 Redeemable , Non Convertible debentures (NCD)

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment
Series I	500	2.60%	Bullet Repayment
Series II	500	2.60%	Bullet Repayment
Series III	500	2.60%	Bullet Repayment
Series IV	500	2.60%	Bullet Repayment
Series A	250	0%	Bullet Repayment
Series B	250	0%	Bullet Repayment
Series C	250	0%	Bullet Repayment
Series D	250	0%	Bullet Repayment

The debenture holders at the end of Year 3 shall have the right to seek prepayment / early redemption of Series III and Series IV debentures in full. Thereupon, the Company shall be obliged to pay all accrued coupon thereon and redemption premium set forth at Part B of Schedule IV of the Debenture Trust Deed.

(iv) 3,600 Redeemable , Non Convertible debentures (NCD):

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series II	170	0%	Bullet Repayment	23-Apr-21
Series III	190	0%	Bullet Repayment	06-Jun-21

(v) Liability component of compound financial instruments

Interest free loan given by Holding company (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby Holding company has given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014. Accordingly, this Interest free loan has been bifurcated into liability and equity components based on the terms of the contract and equity components has been accounted under Other Equity and liability component under Long term borrowings (refer note 15). Interest on liability component is recognised using the effective interest method.

(vi) Debt covenants

Non current borrowings contain debt covenants relating to debt-equity ratio and total debt to net worth. The Company has satisfied all the debts covenants prescribed in the terms of respective loan agreement as at reporting date.

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

16. Provisions

(INR in Million)

	March 31, 2019	March 31, 2018
Non Current		
Provision for employee benefits - Gratuity (refer note 34)	2.52	2.29
Total - A	2.52	2.29
Current		
Provision for employee benefits - Gratuity (refer note 34)	0.52	0.28
Provision for employee benefits - Leave encashment	0.58	0.61
Total - B	1.09	0.89
Total = A+B	3.61	3.19

17. Short term Borrowings

(INR in Million)

	March 31, 2019	March 31, 2018
Loans repayable on demand		
Related parties (unsecured) (refer note 38)	6,942.98	5,463.56
Interest free loan from Others (unsecured)	-	17.60
Working capital demand loan from banks (unsecured)	100.00	100.00
Total	7,042.98	5,581.16

Notes

- 1 Loan from related parties carries interest of 8% to 11% p.a. and is repayable on demand/call notice.
- 2 Interest free loan from others is repayable on demand.
- 3 Working Capital Demand Loan facility from banks is backed by Corporate guarantee of Sadbhav Engineering Limited (SEL) i.e. the Holding company. The Working Capital Demand Loan is repayable within 90 days of borrowing and carries interest of 11.00% p.a.

18. Trade Payables

(INR in Million)

	March 31, 2019	March 31, 2018
Total outstanding dues of micro and small enterprises*	-	-
"Total outstanding dues of creditors other than micro and small enterprises**	751.51	847.00
Total	751.51	847.00

*As per information available with the Company, there are no Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made. This has been relied upon by the Auditors.

**For terms & Conditions relating to related party refer note 38.

19. Other Financial Liabilities

(INR in Million)

	March 31, 2019	March 31, 2018
Non current		
Interest accrued but not due on non-convertible debentures	1,376.16	1202.26
Less: Current maturities of Interest accrued but not due on non-convertible debentures	291.66	411.21
Total - A	1,084.50	791.05
Current		
Current maturities of non-current borrowing (refer note 15)	1,620.00	1,280.00
Current maturities of Interest accrued but not due on non-convertible debentures	291.66	411.21
Interest accrued but not due on borrowing	86.71	92.19
Interest accrued and due on borrowing (refer note 38)	566.98	581.19
Employee emoluments payable	3.37	3.19
Others payable	16.48	8.19
Unclaimed dividend	0.03	0.00
Total - B	2,585.24	2,375.97
Total = A+B	3,669.74	3,167.02

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

20. Other Current Liabilities

(INR in Million)

	March 31, 2019	March 31, 2018
Contract liabilities (refer note 37 and 38)	274.40	355.93
Statutory dues payable	114.33	177.59
Total	388.73	533.52

21. Current Tax Liabilities (Net)

(INR in Million)

	March 31, 2019	March 31, 2018
Income tax payable (net of advance tax and TDS)	144.04	124.16
Total	144.04	124.16

22. Revenue from Operations

(INR in Million)

	March 31, 2019	March 31, 2018
Revenue from contract with customer (refer note 37 and 38)		
Revenue from construction services	2,476.99	3070.35
Revenue from operation and maintenances and project management services	473.28	306.57
Total	2,950.27	3,377.92

Note

- The revenue from construction services includes cost escalation claim, of INR 2.82 Million (31 March 2018: INR 130.75 Million) from Maharashtra Border Check Post Network Limited, a subsidiary, in line with cost escalation principal (cost escalation formula) recommended by Technical Evaluation Committee duly appointed by project steering committee of Maharashtra State Road Development Corporation ('The Project Authority'), which has also been approved by Lender's engineers of the customer.

23. Other Income

(INR in Million)

	March 31, 2019	March 31, 2018
Interest Income on		
Corporate loan (refer note 38)	602.38	459.87
Fixed deposit with bank	3.64	2.99
Income tax refund	-	6.59
Profit on sale of units in mutual funds	0.43	0.13
Liabilities no longer required written back	123.44	-
Total	729.89	469.58

24. Consumption of Project Materials

(INR in Million)

	March 31, 2019	March 31, 2018
Project inventory at the beginning of the year	-	-
Add: Purchase of project materials during the year	22.39	150.32
	22.39	150.32
Less: Project inventory at the end of the year	-	-
Total	22.39	150.32

25. Sub Contractors Charges

(INR in Million)

	March 31, 2019	March 31, 2018
Construction contract charges to sub-contractors	78.70	465.49
Operation and maintenance charges to sub-contractors	562.47	447.82
Total	641.17	913.32

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

26. Employee Benefit Expenses

(INR in Million)

	March 31, 2019	March 31, 2018
Salaries, allowances, bonus and leave expenses (including managerial remuneration) (refer note no. 34 and 38)	32.38	33.19
Contribution to provident fund and other funds (refer note 34)	0.84	0.97
Gratuity expenses (refer note 34)	0.87	0.96
Staff welfare expenses	0.08	0.14
Total	34.17	35.26

27. Finance cost

(INR in Million)

	March 31, 2019	March 31, 2018
Interest on		
Non - convertible debenture	1,003.04	1,000.30
Short term borrowings (refer note 38)	641.42	556.16
Unwinding of discount on interest free loan	38.61	34.80
Others	23.47	12.48
Other Borrowing cost		
Bank charges and other finance costs	41.97	30.46
Total	1,748.51	1,634.20

28. Other expenses

(INR in Million)

	March 31, 2019	March 31, 2018
Rent (refer note 36 and 38)	0.90	1.08
Rates and taxes	3.69	2.99
Repairs & maintenance - Others	-	1.43
Insurance	0.08	1.24
Travelling expenses	4.57	2.40
Legal and professional fees	129.87	50.45
Auditors' remuneration (refer below)	2.04	2.07
Director sitting fees (refer note 38)	0.51	0.48
Annual listing fees	1.15	1.35
Miscellaneous expenses	1.65	0.68
Total	144.46	64.17

Payment to auditors

(INR in Million)

Particular	March 31, 2019	March 31, 2018
Towards		
Statutory audit fees (includes limited review fees)	1.98	1.99
Certification fees	0.06	0.08
Total	2.04	2.07

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

29. 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

(INR in Million)

		March 31, 2019	March 31, 2018
Current tax			
Current tax charges		330.64	244.83
	(A)	330.64	244.83
Deferred tax			
Deferred tax charge		2.58	63.98
MAT Credit (taken)		-	59.43
Adjustment in respect of deferred tax of earlier years		36.89	-
Total deferred tax charged in the statement of Profit and loss	(B)	39.47	123.41
MAT Credit utilised against tax payments for the year		21.69	-
		61.16	123.41
Adjustments in respect of tax of earlier years	(C)	-	0.47
Tax Expense reported in the Statement of Profit and Loss	(D)=(A)+(B)+(C)	370.11	368.71

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

(INR in Million)

Particulars	March 31, 2019	March 31, 2018
Accounting profit before tax	935.55	1,046.11
Statutory Income tax rate	34.94%	34.61%
Expected income tax expenses	326.88	362.04
Tax Effect of adjustments to reconcile expected income tax expenses to reported income tax expenses		
Tax effect of non deductible items	7.95	4.32
Tax in respect of earlier years	36.89	0.47
Tax on income at different rates	(1.61)	1.88
Income tax expenses as per normal tax rate	370.11	368.71
Consequent to reconciliation items shown above, the effective tax rate	39.56%	35.25%

(c) Deferred Tax

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

(INR in Million)

Particulars	Balance sheet		Statement of Profit and Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax liability				
Impact on liability component of Compound instruments	(136.26)	(148.31)	12.05	12.04
Depreciation differences between books & tax purpose.	2.30	2.47	(0.17)	0.87
Expenditure allowed on payment basis	3.98	0.94	3.05	(0.65)
Expenditure allowed over the period	17.51	35.01	(17.51)	(17.51)
Unused tax losses available for offsetting against future taxable income	-	-	-	(58.74)
Tax Credit Entitlement under MAT	-	58.58	(58.58)	(59.43)
Total deferred tax expenses /(Income)			(61.16)	(123.41)
Net deferred tax assets/(liabilities)	(112.47)	(51.31)		

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

30. Disclosure of Financial Instruments by Category

(INR in Million)

Particulars	Note No.	March 31, 2019				March 31, 2018			
		FVTPL	FVTOCI	Amortized cost	Cost	FVTPL	FVTOCI	Amortized cost	Cost
Financial asset									
Investments	7	-	-	-	26,214.72	-	-	-	24,232.72
Trade receivables	8	-	-	1,467.66	-	-	-	1,205.77	-
Cash and cash equivalents	9	-	-	4.44	-	-	-	13.61	-
Other bank balances	9	-	-	-	-	-	-	21.08	-
Loans	10	-	-	5,292.78	-	-	-	4,743.25	-
Other financial assets	11	-	-	1,054.17	-	-	-	843.82	-
Total financial assets		-	-	7,819.05	26,214.72	-	-	6,827.53	24,232.72
Financial liabilities									
Non current borrowings	15	-	-	7,689.63	-	-	-	6,795.34	-
Current borrowings	17	-	-	7,042.98	-	-	-	5,581.16	-
Trade payables	18	-	-	751.51	-	-	-	847.00	-
Other financial liabilities	19	-	-	3,669.74	-	-	-	3,167.02	-
Total Financial Liabilities		-	-	19,153.86	-	-	-	16,390.52	-

31. Fair value disclosures for financial assets and financial liabilities

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

(INR in Million)

Particulars	Note No.	March 31, 2019		March 31, 2018	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities					
Redeemable, Non convertible debentures	15	10,382.87	10,434.10	9,018.77	9,133.76
Total Financial Liabilities		10,382.87	10,434.10	9,018.77	9,133.76

Notes:

- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

32. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities which are measured at fair value:

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2019 and March 31, 2018

(INR in Million)

Particulars	Note No.	Fair value measurement using Significant observable inputs (Level 2)	
		March 31, 2019	March 31, 2018
Liabilities measured at fair value			
Liabilities for which fair value are disclosed			
Redeemable, Non convertible debentures	15	10,434.10	9,133.76

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

33. Earning Per Share (EPS)

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

(INR in Million)

	March 31, 2019	March 31, 2018
Profit after tax for the year available for equity shareholders	565.44	677.40
Number of equity shares at the end of the year	3522,25,216	352,225,216
Weighted average number of equity shares for basic and diluted EPS	3522,25,216	352,225,216
Nominal value of equity shares	10	10
Basic and diluted earnings per share	1.61	1.92

34. Employee Benefits Disclosure

A Defined Contribution Plans:

The following amount recognised as expenses in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(INR in Million)

	March 31, 2019	March 31, 2018
Contribution to Provident funds	0.74	0.83
Contribution to Employee State Insurance	0.09	0.13
Contribution to Benevolent funds	0.01	0.01
Total	0.84	0.97

B Defined benefit plans - Gratuity benefit plan:

The Company has a gratuity benefit plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last draw salary) for each completed year of service. The scheme is unfunded. The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by the Indian Accounting Standard - 19. Gratuity has been recognised in the financial statement as per details given below:

(INR in Million)

	March 31, 2019	March 31, 2018
Defined benefit obligations as at beginning of the year- A	2.57	1.77
Cost charged to statement of profit and loss		
Current service cost	0.68	0.49
Past service cost	-	0.35
Interest cost	0.19	0.13
Sub-total included in statement of profit and loss - B	0.87	0.97
Remeasurement (gains)/losses in other comprehensive income		
Actuarial loss / (gain) due to change in financial assumptions	(0.03)	0.06
Actuarial loss / (gain) due to experience	0.40	(0.07)
Sub-total included in other comprehensive income - C	0.37	(0.01)
Benefit paid - D	(0.04)	(0.18)
Defined benefit obligations as at end of the year (A+B+C+D)	3.04	2.57
Current	2.52	2.29
Non-current	0.52	0.28

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

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

	(INR in Million)	
	March 31, 2019	March 31, 2018
Discount Rate	7.35%	7.55%
Salary Growth Rate	6.00%	6.00%
Withdrawal Rate	15% at younger ages reducing to 3% at older ages	15% at younger ages reducing to 3% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below: (INR in Million)

Particulars	Sensitivity level	March 31, 2019	March 31, 2018
Discount rate	0.50% increase	(0.18)	(0.08)
	0.50% decrease	0.01	0.08
Salary Growth Rate	0.50% increase	(0.03)	0.04
	0.50% decrease	(0.19)	(0.05)
Withdrawal rate	10% increase	(0.06)	0.02
	10% decrease	(0.11)	(0.02)

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

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

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

C Maturity Profile of the Defined Benefit Obligation:

	As at March 31, 2019	
	INR in Million	%
2020	0.52	9.90%
2021	0.22	4.20%
2022	0.26	4.90%
2023	0.29	5.60%
2024	0.25	4.80%
2025 - 2029	1.51	70.60%

	As at March 31, 2018	
	INR in Million	%
2019	0.22	5.30%
2020	0.19	4.50%
2021	0.19	4.40%
2022	0.44	10.60%
2023	0.22	5.20%
2024 - 2028	1.31	70.00%

The average future duration of the defined benefit plan obligation at the end of the reporting period is 20.37 years (March 31, 2018: 21.83 years).

D Other employee benefit:

Salaries, Wages and Bonus include INR 2.87 million (March 31, 2018: INR 2.95 million) towards provision made as per actual basis in respect of accumulated leave encashment / compensated absences, bonus and leave travel allowance.

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

35. Segment Reporting

The operating segment of the company is identified to be "Build Operate and Transfer (BOT)/ Annuity Projects and its related activities", as the Chief Operating Decision Makers (CODM) reviews business performance at an overall group level as one segment and hence, no additional disclosure are require to be made under Ind AS 108 "Operating Segments". Further, the Company also primarily operates under one geographical segment namely India. There are no single customer which contribute more than 10% of total revenue of the Company.

36. Operating Lease:

The company has taken office space on operating leases basis on short term basis i.e within 1 year. There are no sub-leases and the leases is cancellable at any point of time by either parties. There are no restrictions imposed under the lease arrangements. There is neither any contingent rent nor any escalation clause in the lease agreements. During the year, the Company has incurred INR 0.90 Million (31 March 2018: INR 0.90 Million) towards rent for the office space.

37 Revenue from contract with customers

37.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	(INR in Million)	
	March 31, 2019	March 31, 2018
Type of service rendered		
Revenue from construction services	2,476.99	3,071.35
Revenue from operation and maintenances and project management	473.28	306.57
Total revenue from contracts with customers	2,950.27	3,377.92
Place of service rendered		
India	2,950.27	3,377.92
Total revenue from contracts with customers	2,950.27	3,377.92
Timing of revenue recognition		
Services transferred over time	2,950.27	3,377.92
Total revenue from contracts with customers	2,950.27	3,377.92

37.2 Contract balances

	(INR in Million)	
	March 31, 2019	March 31, 2018
Contract assets	81.49	9.76
Contract liabilities	274.40	355.93

Contract assets are recognised for revenue earned from the VUP and other services render to customer as per the agreement.

Upon completion of work, the contract assets are classified as trade receivable.

Contract liabilities of INR 90 million related to advances received toward services under major maintenances agreement and INR 184.40 million pertains to excess billing over the work completed.

37.3 Performance obligation

Information about the company's performance obligations are summarised below:

a. Construction services

The performance obligation is satisfied over time as the assets is under control of customer and they simultaneously receives and consumes the benefits provided by the Company. The Company received progressive payment toward provision of construction services.

b. Operation and maintenances and project management services

There are contract with subsidiaries entities for operation & maintenances and project management services. The performance obligation is satisfied over-time and payment is generally due on completion of services i.e. monthly basis. The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 March are, as follows:

	(INR in Million)	
	March 31, 2019	March 31, 2018
Within one year	1,799.27	2,580.48
More than one year	902.74	1,799.27

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

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

38. Related Party disclosures

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

(a) Name of related party and nature of relationship

Related Parties where control exists:

Holding Company	Sadbhav Engineering Limited (SEL)
Subsidiaries	Ahmedabad Ring Road Infrastructure Limited (ARRIL)
	Aurangabad Jalna Toll Way Limited (AJTL)
	Bijapur Hungund Tollway Private Limited (BHTPL)
	Hyderabad Yadgiri Tollway Private Limited (HYTPL)
	Rohtak Panipat Tollway Private Limited (RPTPL)
	Maharashtra Border Check Post Network Limited (MBCPNL)
	Nagpur Seoni Express Way Limited (NSEWL)
	Shreenathji-Udaipur Toll way Private Limited (SUTPL)
	Bhilwara-Rajsamand Toll way Private Limited (BRTPL)
	Rohtak Hissar Tollway Private Limited (RHTPL)
	Dhule Palesnar Tollway Limited (DPTL)
	Sadbhav Bhavnagar Highway Private Limited (SBHPL)
	Sadbhav Nainital Highway Private Limited (SNHPL)
	Sadbhav Rudrapur Highway Private Limited (SRHPL)
	Sadbhav Una Highway Private Limited (SUHPL)
	Sadbhav Banglore Highway Private Limited (SBGHPL)
	Sadbhav Vidarbha Highway Private Limited (SVHPL) (w.e.f April 24, 2017)
	Sadbhav Udaipur Highway Private Limited (SUDHPL) (w.e.f May 23, 2017)
	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL) (w.e.f January 3, 2018)
	Sadbhav Tumkur Highway Private Limited (STHPL) (w.e.f March 20, 2018)
	Sadbhav Kim Expressway Private Limited (SKEPL) (w.e.f April 12, 2018)
	Sadbhav Bhimasar Bhuj Highway Private Limited (SBBHPL) (w.e.f April 13, 2018)
	Sadbhav Vizag Port Road Private Limited (SVPRPL) (w.e.f April 16, 2018)
	Sadbhav Hybrid Annuity Projects Limited (SHAPL) (w.e.f June 26, 2018)

(b) Related parties with whom transactions have taken place

Fellow Subsidiary	Mysore-Bellary Highway Pvt. Ltd. (MBHPL)
Key managerial personnel (KMP)	Mr. Shashin Patel, Chairman and Non-Executive Director
	Mr. Vasistha Patel, Managing Director
	Mr. Nitin Patel, Non-Executive Director
	Mr. Atul Ruparel, Independent Director
	Mr. Arun Kumar Patel, Independent Director
	Mr. Mirat Bhadlawala, Independent Director
	Mrs. Dakshaben Shah, Independent Director
	Mr. Sandip Patel, Independent Director
	Mr. Varun Mehta, Chief Financial Officer
	Mr. Hardik Modi, Company Secretary

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

(c) Transactions with Related Parties during the year

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Fellow Subsidiaries		Key Management Personnel	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1	Short term loan taken								
	SEL	5,476.52	1,544.53	-	-	-	-	-	-
	ARRIL	-	-	83.31	58.50	-	-	-	-
	HYTPL	-	-	256.50	178.73	-	-	-	-
	DPTL	-	-	50.89	-	-	-	-	-
	AJTL	-	-	16.73	-	-	-	-	-
	BRTPL	-	-	19.89	-	-	-	-	-
	SHAPL	-	-	113.65	-	-	-	-	-
2	Short term loan repaid (including Interest)								
	SEL	5,071.09	596.95	-	-	-	-	-	-
	ARRIL	-	-	80.26	59.00	-	-	-	-
	HYTPL	-	-	2.08	88.21	-	-	-	-
	DPTL	-	-	21.16	-	-	-	-	-
	AJTL	-	-	0.08	-	-	-	-	-
	BRTPL	-	-	0.01	-	-	-	-	-
	SHAPL	-	-	0.02	-	-	-	-	-
3	Interest expense								
	SEL	602.65	537.51	-	-	-	-	-	-
	ARRIL	-	-	9.17	7.38	-	-	-	-
	HYTPL	-	-	19.63	1.58	-	-	-	-
	DPTL	-	-	1.91	-	-	-	-	-
	AJTL	-	-	0.80	-	-	-	-	-
	BRTPL	-	-	0.07	-	-	-	-	-
	SHAPL	-	-	1.58	-	-	-	-	-
4	Short term loan given								
	AJTL	-	-	-	45.90	-	-	-	-
	BRTPL	-	-	5.45	10.25	-	-	-	-
	DPTL	-	-	-	45.20	-	-	-	-
	HYTPL	-	-	-	87.50	-	-	-	-
	MBCPNL	-	-	1,160.37	690.62	-	-	-	-
	NSEL	-	-	67.80	10.26	-	-	-	-
	RHTPL	-	-	604.95	737.30	-	-	-	-
	RPTPL	-	-	914.10	411.62	-	-	-	-
	SUTPL	-	-	-	368.02	-	-	-	-
	SBHPL	-	-	18.20	1.00	-	-	-	-
	SNHPL	-	-	15.44	22.42	-	-	-	-
	SRHPL	-	-	71.00	0.80	-	-	-	-
	SUHPL	-	-	17.60	-	-	-	-	-
	SVHPL	-	-	10.20	-	-	-	-	-
	SBGHPL	-	-	24.10	1.61	-	-	-	-
	SUDHPL	-	-	16.60	2.90	-	-	-	-
	SHAPL	-	-	34.38	-	-	-	-	-
5	Proceeds from Short term loan given including interest								
	AJTL	-	-	82.08	255.95	-	-	-	-
	BRTPL	-	-	90.69	39.17	-	-	-	-
	RPTPL	-	-	24.10	-	-	-	-	-
	DPTL	-	-	2.50	301.08	-	-	-	-
	HYTPL	-	-	-	329.97	-	-	-	-
	MBCPNL	-	-	1,741.33	541.58	-	-	-	-
	RHTPL	-	-	16.80	-	-	-	-	-
	NSEL	-	-	591.17	20.61	-	-	-	-
	MBHPL	-	-	-	-	-	7.40	-	-
	SUTPL	-	-	263.16	70.50	-	-	-	-

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

	SBHPL	-	-	17.85	3.24	-	-	-	-
	SRHPL	-	-	0.12	4.30	-	-	-	-
	SUHPL	-	-	4.07	2.40	-	-	-	-
	SNHPL	-	-	0.31	-	-	-	-	-
	SVHPL	-	-	10.21	-	-	-	-	-
	SBGHPL	-	-	25.85	-	-	-	-	-
	SUDHPL	-	-	11.92	2.93	-	-	-	-
	SHAPL	-	-	36.43	-	-	-	-	-
6	Perpetual Debt Given								
	MBCPNL	-	-	133.00	350.00	-	-	-	-
	SUDHPL	-	-	150.27	319.90	-	-	-	-
	SBGHPL	-	-	181.71	457.50	-	-	-	-
	SBHPL	-	-	188.70	14.36	-	-	-	-
	SUHPL	-	-	53.40	7.13	-	-	-	-
	SRHPL	-	-	354.33	6.05	-	-	-	-
	SNHPL	-	-	3.00	160.14	-	-	-	-
	SVHPL	-	-	78.25	313.47	-	-	-	-
	SJRRPL	-	-	111.55	-	-	-	-	-
	SKEPL	-	-	5.10	-	-	-	-	-
	SBBHPL	-	-	55.32	-	-	-	-	-
7	Perpetual Debt received back								
	BHTPL	-	-	-	223.30	-	-	-	-
8	Revenue from Services (excluding taxes)								
	SEL	345.95	-	-	-	-	-	-	-
	AJTL	-	-	15.39	13.71	-	-	-	-
	ARRIL	-	-	30.12	15.12	-	-	-	-
	DPTL	-	-	206.14	643.23	-	-	-	-
	HYTPL	-	-	254.17	43.24	-	-	-	-
	MBCPNL	-	-	30.22	265.27	-	-	-	-
	MBHPL	-	-	-	-	93.41	-	-	-
	NSEL	-	-	16.91	16.92	-	-	-	-
	RPTPL	-	-	32.67	32.44	-	-	-	-
	SUTPL	-	-	38.89	38.78	-	-	-	-
	BRTPL	-	-	34.75	28.13	-	-	-	-
	SUHPL	-	-	177.00	205.08	-	-	-	-
	SBHPL	-	-	246.00	285.03	-	-	-	-
	SRHPL	-	-	103.50	276.00	-	-	-	-
	SNHPL	-	-	146.00	255.50	-	-	-	-
	SBGHPL	-	-	280.00	385.00	-	-	-	-
	SUDHPL	-	-	299.31	274.48	-	-	-	-
	SVHPL	-	-	600.00	600.00	-	-	-	-
9	Reimbursement of expenses (net)								
	SEL	0.04	-	-	-	-	-	-	-
	AJTL	-	-	0.50	-	-	-	-	-
	ARRIL	-	-	(0.46)	-	-	-	-	-
	DPTL	-	-	3.41	0.40	-	-	-	-
	BHTPL	-	-	0.50	-	-	-	-	-
	HYTPL	-	-	0.33	0.05	-	-	-	-
	MBCPNL	-	-	(68.33)	48.64	-	-	-	-
	MBHPL	-	-	-	-	28.67	15.80	-	-
	RPTPL	-	-	-	0.05	-	-	-	-
	RHTPL	-	-	1.09	2.80	-	-	-	-
	SUTPL	-	-	0.88	-	-	-	-	-
	NSEL	-	-	-	-	-	-	-	-
	SBGHPL	-	-	98.61	33.86	-	-	-	-
	SBHPL	-	-	0.01	-	-	-	-	-
	SRHPL	-	-	29.87	-	-	-	-	-
	SVHPL	-	-	24.92	0.02	-	-	-	-

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

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Fellow Subsidiaries		Key Management Personnel	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	SHAPL	-	-	3.01	-	-	-	-	-
	SUDHPL	-	-	7.14	0.01	-	-	-	-
	STHPL	-	-	0.01	-	-	-	-	-
	SBBHPL	-	-	0.01	-	-	-	-	-
10	Interest Income								
	AJTL	-	-	3.43	16.57	-	-	-	-
	BRTPL	-	-	6.36	9.75	-	-	-	-
	DPTL	-	-	0.02	10.68	-	-	-	-
	HYTPL	-	-	-	7.47	-	-	-	-
	MBCPNL	-	-	38.44	39.09	-	-	-	-
	NSEL	-	-	105.98	104.10	-	-	-	-
	RHTPL	-	-	167.93	75.83	-	-	-	-
	RPTPL	-	-	240.98	154.92	-	-	-	-
	SUTPL	-	-	31.62	38.98	-	-	-	-
	SBHPL	-	-	0.05	0.10	-	-	-	-
	SNHPL	-	-	3.31	2.07	-	-	-	-
	SRHPL	-	-	1.20	0.09	-	-	-	-
	SUHPL	-	-	0.38	0.04	-	-	-	-
	SVHPL	-	-	0.12	-	-	-	-	-
	SBGHPL	-	-	0.17	0.13	-	-	-	-
	SUDHPL	-	-	0.22	0.03	-	-	-	-
	SHAPL	-	-	2.18	-	-	-	-	-
11	Rent (excluding taxes)								
	SEL	0.90	0.90	-	-	-	-	-	-
12	Fixed assets sold								
	SEL	-	2.64	-	-	-	-	-	-
13	Remuneration								
	Vasistha Patel	-	-	-	-	-	-	3.00	3.00
	Varun Mehta	-	-	-	-	-	-	4.01	3.57
	Hardik Modi	-	-	-	-	-	-	1.02	0.68
	Gaurav Vesasi	-	-	-	-	-	-	-	0.02
14	Sitting Fees								
	Shashin Patel	-	-	-	-	-	-	0.08	0.08
	Sandip Patel	-	-	-	-	-	-	0.08	0.06
	Nitin Patel	-	-	-	-	-	-	0.09	0.08
	Mirat Bhadlawala	-	-	-	-	-	-	0.05	0.06
	Daksha Shah	-	-	-	-	-	-	0.09	0.08
	Atul Ruparel	-	-	-	-	-	-	0.06	0.03
	Arunkumar Patel	-	-	-	-	-	-	0.08	0.08

(d) Balances of related parties at the year end:

(INR in Million)

Sr. No.	Particulars	Holding		Subsidiaries		Fellow Subsidiary		Key Managerial Personnel	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1	Trade Receivable (including retention money)								
	SEL	275.31	-	-	-	-	-	-	-
	AJTL	-	-	2.97	31.02	-	-	-	-
	ARRIL	-	-	10.96	-	-	-	-	-
	BRTPL	-	-	3.30	11.05	-	-	-	-
	DPTL	-	-	4.72	98.56	-	-	-	-
	HYTPL	-	-	74.23	0.95	-	-	-	-

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

	MBCPNL	-	-	38.00	592.95	-	-	-	-
	MBHPL	-	-	-	-	36.65	-	-	-
	NSEL	-	-	-	23.43	-	-	-	-
	RHTPL	-	-	-	-	-	-	-	-
	RPTPL	-	-	25.51	21.72	-	-	-	-
	SBHPL	-	-	165.50	-	-	-	-	-
	SNHPL	-	-	160.60	-	-	-	-	-
	SRHPL	-	-	113.85	-	-	-	-	-
	SUHPL	-	-	174.70	-	-	-	-	-
	SVHPL	-	-	213.69	381.82	-	-	-	-
	SUTPL	-	-	44.27	44.28	-	-	-	-
	SBGHPL	-	-	41.50	-	-	-	-	-
	SUDHPL	-	-	81.81	-	-	-	-	-
2	Short term Loan given								
	AJTL	-	-	-	77.92	-	-	-	-
	BRTPL	-	-	-	76.58	-	-	-	-
	DPTL	-	-	-	2.28	-	-	-	-
	MBCPNL	-	-	120.31	670.37	-	-	-	-
	NSEL	-	-	663.03	828.68	-	-	-	-
	RHTPL	-	-	1,670.60	1,065.65	-	-	-	-
	RPTPL	-	-	2,286.72	1,372.62	-	-	-	-
	SUTPL	-	-	248.87	449.60	-	-	-	-
	SBHPL	-	-	1.50	1.06	-	-	-	-
	SNHPL	-	-	41.56	26.12	-	-	-	-
	SRHPL	-	-	71.00	-	-	-	-	-
	SUHPL	-	-	13.60	0.05	-	-	-	-
	SVHPL	-	-	0.10	-	-	-	-	-
	SBGHPL	-	-	-	1.61	-	-	-	-
	SUDHPL	-	-	4.78	-	-	-	-	-
3	Perpetual debt								
	AJTL	-	-	282.00	282.00	-	-	-	-
	BRTPL	-	-	1,159.60	1,159.60	-	-	-	-
	BHTPL	-	-	620.62	620.62	-	-	-	-
	DPTL	-	-	3,267.23	3,267.23	-	-	-	-
	HYTPL	-	-	1,017.23	1,017.23	-	-	-	-
	MBCPNL	-	-	4,419.13	4,286.13	-	-	-	-
	NSEL	-	-	118.29	118.29	-	-	-	-
	RHTPL	-	-	993.12	993.12	-	-	-	-
	RPTPL	-	-	2,209.06	2,209.06	-	-	-	-
	SBHPL	-	-	506.42	317.72	-	-	-	-
	SNHPL	-	-	450.96	447.96	-	-	-	-
	SRHPL	-	-	633.35	279.01	-	-	-	-
	SUHPL	-	-	244.47	191.07	-	-	-	-
	SUTPL	-	-	2,777.17	2,777.17	-	-	-	-
	SUDHPL	-	-	470.17	319.90	-	-	-	-
	SBGHPL	-	-	639.21	457.50	-	-	-	-
	SVHPL	-	-	41.71	313.46	-	-	-	-
	SBBHPL	-	-	55.32	-	-	-	-	-
	SKEPL	-	-	5.10	-	-	-	-	-
	SJRRPL	-	-	111.55	-	-	-	-	-
4	Interest Payable								
	SEL	542.38	572.81	-	-	-	-	-	-
	ARRIL	-	-	2.11	7.17	-	-	-	-
	HYTPL	-	-	18.87	1.21	-	-	-	-
	DPTL	-	-	1.42	-	-	-	-	-
	AJTL	-	-	0.72	-	-	-	-	-
	BRTPL	-	-	0.06	-	-	-	-	-
	SHAPL	-	-	1.42	-	-	-	-	-

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

(INR in Million)

Sr No	Particulars	Holding		Subsidiaries		Fellow Subsidiary		Key Managerial Personnel	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
5	Contract Liabilities								
	BHTPL	-	-	90.00	90.00	-	-	-	-
6	Trade Payable								
	SEL	74.56	9.49	-	-	-	-	-	-
7	Interest Receivable								
	AJTL	-	-	-	0.72	-	-	-	-
	BRTPL	-	-	-	2.32	-	-	-	-
	DPTL	-	-	-	0.20	-	-	-	-
	MBCPNL	-	-	34.60	27.06	-	-	-	-
	NSEL	-	-	9.85	261.58	-	-	-	-
	RHTPL	-	-	227.75	76.60	-	-	-	-
	RPTPL	-	-	541.59	324.71	-	-	-	-
	SUTPL	-	-	6.55	37.37	-	-	-	-
	SBHPL	-	-	0.03	0.07	-	-	-	-
	SNHPL	-	-	4.89	1.91	-	-	-	-
	SRHPL	-	-	1.21	0.13	-	-	-	-
	SUHPL	-	-	0.34	0.02	-	-	-	-
	SVHPL	-	-	0.01	-	-	-	-	-
	SBGHPL	-	-	0.15	0.12	-	-	-	-
	SUDHPL	-	-	0.12	-	-	-	-	-
8	Expense receivable/(payable)								
	ARRIL	-	-	(0.72)	-	-	-	-	-
	AJTL	-	-	0.01	-	-	-	-	-
	BHTPL	-	-	(0.03)	-	-	-	-	-
	HYTPL	-	-	0.28	-	-	-	-	-
	RPTPL	-	-	0.05	0.05	-	-	-	-
	RHTPL	-	-	1.08	1.12	-	-	-	-
	SUDHPL	-	-	0.31	0.01	-	-	-	-
	BRTPL	-	-	(0.06)	-	-	-	-	-
	DPTL	-	-	(0.49)	-	-	-	-	-
	MBCPNL	-	-	40.86	64.74	-	-	-	-
	MBHPL	-	-	-	-	1.00	-	-	-
	NSEL	-	-	-	-	-	-	-	-
	SUTPL	-	-	(0.02)	(0.41)	-	-	-	-
	SBGHPL	-	-	0.03	2.91	-	-	-	-
	SBHPL	-	-	0.07	0.05	-	-	-	-
	SNHPL	-	-	0.04	0.04	-	-	-	-
	SRHPL	-	-	29.86	-	-	-	-	-
	SVHPL	-	-	24.92	-	-	-	-	-
	SUHPL	-	-	0.06	0.06	-	-	-	-
	SJRRPL	-	-	0.03	-	-	-	-	-
	SHAPL	-	-	3.01	-	-	-	-	-
9	Short term loan taken								
	SEL	6,343.73	5,305.22	-	-	-	-	-	-
	ARRIL	-	-	71.73	67.81	-	-	-	-
	HYTPL	-	-	347.02	90.53	-	-	-	-
	DPTL	-	-	30.23	-	-	-	-	-
	AJTL	-	-	16.73	-	-	-	-	-
	BRTPL	-	-	19.89	-	-	-	-	-
	SHAPL	-	-	113.65	-	-	-	-	-

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

(INR in Million)

Sr No	Particulars	Holding		Subsidiaries		Fellow Subsidiary		Key Managerial Personnel	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
10	Receivable towards sale of assets								
	SEL	-	3.12	-	-	-	-	-	-
11	Remuneration payable								
	Vasistha Patel	-	-	-	-	-	-	0.18	0.20
	Varun Mehta	-	-	-	-	-	-	0.49	0.27
	Hardik Modi	-	-	-	-	-	-	0.05	0.05
12	Interest free Unsecured Loan (Equity and liability components less finance cost recognised till date reporting date)								
	SEL	779.56	779.56	-	-	-	-	-	-

Notes:

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of the agreement.
- Non convertible debenture of INR 8,920.00 Million as at 31 March 2019 (31 March 2018: INR 7,724.32 million) are secured by way of corporate guarantee by Sadbhav Engineering Limited (SEL), the Parent Company, first ranking charge created on shares of Company's certain subsidiaries and of SEL. The asset cover thereof exceeds hundred percent of the principal amount of the said debentures.
- The Revenue from services include Contract liabilities (unearned revenue) of INR 184.40 Million (31 March 2018: INR 265.93 million) and Contract assets of INR 81.49 million (31 March 2018: INR 9.75 million) accounted during the year as of the order from its subsidiaries as per the company policy.
- During the previous year, the company has converted short term loan given to a subsidiary of INR 350.00 Million into a subordinate debts, the movement of the same disclosed under respective items.
- The unsecured loans given to subsidiaries company is based on business needs of the subsidiaries company in accordance with Lender's Loan agreements and Sponsor Support and Equity Contribution Agreement of the respective SPV entities. The loan given to subsidiaries on demand basis which carries interest of 8.75% to 11.00% based on cost of fund of respective subsidiaries entities.
- The Remuneration disclosed above given to key managerial personnel is mainly related to short term employee benefits and does not includes post employee benefits as the same is not determinable.

39 Contingent liabilities and commitments

(INR in Million)

I Contingent Liabilities	March 31, 2019	March 31, 2018
Claims against the Company not acknowledged as debts		
Service Tax*	43.48	43.48
	43.48	43.48

* Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Company has preferred appeal with Tribunal, and received stay order from tribunal for recoveries of demands against deposit of 2.5 Millions which is included under 'Deposits' in Note-12. The matter is pending with Tribunal as at reporting date.

II Commitments

The followings are the estimated amount of contractual commitments of the company:

	March 31, 2019	March 31, 2018
(i) Sub-Contract Commitments	332.44	351.63
(ii) Other Commitments towards sub ordinate debts/equity shares in various subsidiaries	9,958.82	5,618.22

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

- (iii) The BOT/HAM projects of below subsidiary companies has been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the lenders, the Company has executed agreements with respective lenders whereby the Company has committed to hold minimum shareholding and pledge of its holding in the respective subsidiary company, details of which is as follows:

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge As at March 31, 2019	% of Shares to Pledge As at March 31, 2018
	Upto Commercial Operation Date	After Commercial Operation Date		
Ahmedabad Ring Road Infrastructure Limited	70.00%	45.00%*	30.00%	30.00%
Aurangabad Jalna Tollway Limited	21.00%	21.00%	30.00%	30.00%
Bhilwara-Rajsamand Tollway Private Limited	51.00%	51.00%	30.00%	51.00%
Bijapur Hungund Tollway Private Limited	51.00%	51.00%	66.23%	66.23%
Hyderabad Yadgiri Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Maharashtra Border Check Post Network Limited	70.00%	51.00%	30.11%	29.57%
Shreenathji-Udaipur Tollway Private Limited	51.00%	51.00%	30.00%	30.00%
Nagpur Seoni Expressway Limited	30.00%	30.00%	99.00%	99.00%
Rohtak-Hissar Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Rohtak Panipat Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Dhule Palenser Tollway Limited	51.00%	33.00%	33.00%	33.00%
Sadbhav Una Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Udaipur Highway Private Limited	51.00%	51.00%	62.08%	30.00%
Sadbhav Bangalore Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Vidarbha Highway Private Limited	51.00%	51.00%	98.00%	30.00%
Sadbhav Bhavnagar Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Rudrapur Highway Private Limited	51.00%	25.00%	51.00%	51.00%
Sadbhav Jodhpur Ring Road Private Limited	51.00%	21.00%	51.00%	0.00%
Sadbhav Nainital Highway Private Limited	51.00%	25.00%	51.00%	51.00%
Sadbhav Tumkur Highway Private Limited	-	-	-	-
Sadbhav Vizag Port Road Private Limited	-	-	-	-
Sadbhav Hybrid Annuity Projects Limited	-	-	51.00%	-
Sadbhav Kim Expressway Private Limited	-	-	-	-
Sadbhav Bhimasar Bhuj Highway Private Limited	-	-	51.00%	-

* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

- (iv) The Company has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Pvt.Ltd. (MBHPL) from Sadbhav Engineering Limited (SEL) as per agreement dated November 3, 2014, subject to regulatory approvals.

40. The following are the details of loans and advances in the nature of loans (includes in the nature of sub-ordinate debts) given to subsidiaries in which directors are interested in terms of regulation 53(F) read together with para A of Schedule V of SEBI (Listing Obligation and Disclosure Regulation, 2015).

(INR in Million)

Name of Entities	Outstanding amount as at		Maximum amount Outstanding during the year	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Aurangabad Jalna Tollway Limited	282.00	359.92	359.92	546.44
Bijapur Hungund Tollway Private Limited	620.62	620.62	620.62	843.92
Bhilwara-Rajsamand Tollway Private Limited	1,159.60	1,236.18	1,237.18	1,256.45
Dhule Palesnar Tollway Limited	3,267.23	3,269.51	3,269.51	3,525.40
Hyderabad Yadgiri Tollway Private Limited	1,017.23	1,017.23	1,017.23	1,288.49
Maharashtra Border Check Post Network Limited	4,539.44	4,956.50	6,147.97	4,971.50
Rohtak Panipat Tollway Private Limited	4,495.78	3,581.68	4,495.78	3,581.68
Nagpur Seoni Express Way Limited	781.32	946.97	949.38	946.97
Rohtak Hissar Tollway Private Limited	2,663.72	2,058.77	2,663.72	2,058.77
Shreenathji-Udaipur Toll way Private Limited	3,026.04	3,226.77	3,226.77	3,260.72
Mysore-Bellary Highway Private Limited	-	-	-	7.40
Sadbhav Bangalore Highway Private Limited	639.21	459.11	663.19	462.41
Sadbhav Udaipur Highway Private Limited	474.96	319.90	484.27	319.90

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

Sadbhav Bhavnagar Highway Private Limited	507.92	318.78	507.92	323.24
Sadbhav Nainital Highway Private Limited	492.52	474.08	492.52	474.08
Sadbhav Rudrapur Highway Private Limited	704.35	279.01	704.35	279.01
Sadbhav Vidarbha Highway Private Limited	391.81	313.46	399.41	313.46
Sadbhav Una Highway Private Limited	258.07	191.12	262.12	254.62
Sadbhav Kim Expressway Private Limited	5.10	-	5.10	-
Sadbhav Bhuj Bhimasar Highway Private Limited	55.32	-	55.32	-
Sadbhav Hybrid annuity Private Limited	-	-	34.38	-
Sadbhav Jodhpur Ring Road Private Limited	111.55	-	111.55	-

Note: All loans are given on interest bearing excepts loan given as Perpetual debts (in the nature of promoters contribution) by the Company (as a sponsor) in accordance with the Lender's Loan agreement and Sponsor Support and Equity Contribution agreement with the respective subsidiaries.

41. Disclosure Significant interest in subsidiaries as per Ind AS 27 para 17.

Name of Entities	Relationship	Place of Business	Ownership %	
			March 31, 2019	March 31, 2018
Ahmedabad Ring Road Infrastructure Limited (ARRIL)	Subsidiary	India	100%	100%
Aurangabad Jalna Toll Way Limited (AJTL)	Subsidiary	India	100%	100%
Bijapur Hungund Tollway Private Limited (BHTPL)	Subsidiary	India	77%	77%
Hyderabad Yadgiri Tollway Private Limited (HYTPL)	Subsidiary	India	100%	100%
Rohtak Panipat Tollway Private Limited (RPTPL)	Subsidiary	India	100%	100%
Maharashtra Border Check Post Network Limited (MBCPNL)	Subsidiary	India	100%	91%
Nagpur Seoni Express Way Limited (NSEWL)	Subsidiary	India	100%	100%
Shreenathji-Udaipur Toll way Private Limited (SUTPL)	Subsidiary	India	100%	100%
Bhilwara-Rajsamand Toll way Private Limited (BRTPL)	Subsidiary	India	100%	100%
Rohtak Hissar Tollway Private Limited (RHTPL)	Subsidiary	India	100%	100%
Dhule Palesnar Tollway Limited (DPTL)	Subsidiary	India	100%	100%
Sadbhav Bhavnagar Highway Private Ltd (SBHPL)	Subsidiary	India	100%	100%
Sadbhav Nainital Highway Private Ltd (SNHPL)	Subsidiary	India	100%	100%
Sadbhav Rudrapur Highway Private Ltd (SRHPL)	Subsidiary	India	100%	100%
Sadbhav Una Highway Private Ltd (SUHPL)	Subsidiary	India	100%	100%
Sadbhav Bangalore Highway Private Ltd (SBGHPL)	Subsidiary	India	100%	100%
Sadbhav Vidarbha Highway Private Ltd (SVHPL) (w.e.f April 24, 2017)	Subsidiary	India	100%	100%
Sadbhav Udaipur Highway Private Ltd (SUDHPL) (w.e.f May 23, 2017)	Subsidiary	India	100%	100%
Sadbhav Jodhpur Ring Road Private Ltd (SJRRPL) (w.e.f January 3, 2018)	Subsidiary	India	100%	100%
Sadbhav Tumkur Highway Private Ltd (STHPL) (w.e.f March 20, 2018)	Subsidiary	India	100%	100%
Sadbhav Kim Expressway Private Limited (SKEPL) (w.e.f April 12, 2018)	Subsidiary	India	100%	N.A
Sadbhav Bhimasar Bhuj Highway Private Limited (SBBHPL) (w.e.f April 13, 2018)	Subsidiary	India	100%	N.A
Sadbhav Vizag Port Road Private Limited (SVPRPL) (w.e.f April 16, 2018)	Subsidiary	India	100%	N.A
Sadbhav Hybrid Annuity Projects Limited (SHAPL) (w.e.f June 26, 2018)	Subsidiary	India	100%	N.A

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

42 Details of Corporate Social Responsibility (CSR) Expenditure

	March 31, 2019	March 31, 2018
(a) Gross amount required to be spent by the company during the year		
- CSR obligation for current financial year	6.05	-
- Unspent amount of CSR obligation of previous financial year	-	-
- Total CSR obligation	6.05	-
(b) Amount spent during the year:		
(i) On purposes other than construction / acquisition of any assets-Already Paid:	-	-
(ii) On purposes other than construction / acquisition of any assets-To be Paid:	-	-

43. Financial risk management objectives and policies

"The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations as well development and maintenance of SPVs project. The Company's principal financial assets include investments, trade receivables, other receivables, loans and cash and bank balances, which are been derived directly from its operations.

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

The Board of Directors have 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, trade receivables, loans, other receivables, trade and other payables.

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

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

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

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

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

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

(i) Interest rate risk

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

The Interest risk arises to the company mainly from non-current borrowings with variable rates. The Company maintains its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The company measures risk through sensitivity analysis.

The banks are now finance at variable rate only, which is the inherent business risk.

Interest rate sensitivity

The Company is not exposed to interest rate risk because its borrowings in Non convertible debenture carries fixed interest rate.

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

(ii) Equity price risk

"The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions."

(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 exposed to credit risk related to operating activities (primarily trade receivables and other financial assets), financing activities including temporary Investment in mutual fund and other financial instruments.

Trade receivable mainly consist of receivable from related parties. Accordingly, the Company is not exposed to credit risk in relation to Trade receivable.

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only in accordance with company policy. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk from balance with bank and financial instructions as of March 31, 2019 is INR 128.22 million, March 31, 2018 is INR 63.13 million.

(c) Liquidity risk

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

The company measures risk by forecasting cash flows.

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

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

(INR in Million)

Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2019						
Debentures	8,920.00	-	1,620.00	2,200.00	5,100.00	-
Long term loan from related parties	779.56	-	-	-	-	779.56
Interest accrued on borrowings	2,029.85	-	945.35	440.72	643.78	-
Loans repayable on demand	7,042.98	7,042.98	-	-	-	-
Trade payables	751.51	-	751.51	-	-	-
Other payables	19.89	-	19.89	-	-	-
Total	19,543.79	7,042.98	3,336.75	2,640.72	5,743.78	779.56
As at March 31, 2018						
Debentures	7,724.32	-	1,280.00	2,994.32	3,450.00	-
Long term loan from related parties	779.56	-	-	-	-	779.56
Interest accrued on borrowings	1,875.62	-	1,084.59	466.34	324.69	-
Loans repayable on demand	5,581.16	5,581.16	-	-	-	-
Trade payables	847.00	-	847.00	-	-	-
Other payables	11.38	-	11.38	-	-	-
Total	16,819.04	5,581.16	3,222.97	3,460.66	3,774.69	779.56

44. Capital Management

For the purpose of the Company's capital management, capital consist of share capital, securities premium, other equity 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. The Company monitors capital using debit equity ratio which is total Borrowings divided by total equity.

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

The key performance ratios as at 31 March are as follows		(INR in Million)	
	March 31, 2019	March 31, 2018	
Non current borrowings* (refer note 15)	9,309.63	8,075.34	
Other non-current financial liabilities (refer note 19)	1,376.16	1,202.26	
Current borrowings (refer note 17)	7,042.98	5,581.16	
Total Debts - A	17,728.77	14,858.76	
Equity share capital (refer note 13)	3,522.25	3,522.25	
Other equity (refer note 14)	10,851.50	10,497.23	
Total Equity - B	14,373.75	14,019.48	
Debt equity ratio (A/B)	1.23	1.06	

* Includes current maturities of non current borrowing disclosed under other current financial liabilities.

45. During the year, the company entered into settlement agreement dated October 20, 2018 with the minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') whereby the company has paid INR 152.95 million towards settlement of dispute. The said amount has been disclosed as exceptional item in the Standalone statement of profit and loss.

46. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's standalone financial statements are disclosed below. The Company intends to adopt this standards, if applicable, when they become effective.

Ind AS 116, Leases

"Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Transition to Ind AS 116

As the company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact on its Standalone financial statements."

47. Events after the reporting period

The Board of Directors of the Company in their meeting held on May 27, 2019 have recommended a final dividend @ 30% i.e. INR 0.30 per equity share of INR 10/- each fully paid up for the year ended March 31, 2019 subject to approval of the members at the ensuing general meeting.

48. Previous year comparatives

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Date: May 27, 2019
Place: Ahmedabad

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

per Devansh Gandhi
Partner
Membership No.: 129255

Date: May 27, 2019
Place: Ahmedabad

For and on behalf of Board of Directors Sadbhav Infrastructure Project Limited

Vasistha Patel
Managing Director
DIN : 00048324

Hardik Modi
Company Secretary
Membership No.: F9193

Date: May 27, 2019
Place: Ahmedabad

Shashin Patel
Director
DIN: 00048328

Varun Mehta
Chief Financial Officer

Consolidated Financial Statements

Independent Auditor's Report on the Consolidated Financial Statements

To,
The Members of Sadbhav Infrastructure Project Limited

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Sadbhav Infrastructure Project Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated loss including other comprehensive income and their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (Sas), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group 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 financial statements under the provisions of the Act 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 audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 50 of the consolidated Ind AS financial statement in respect of accounting of Intangible Asset / Intangible Assets under Development of INR 2,228.84 million (31 March 2018: INR 2,212.30 million) under the Service Concession Arrangement of Maharashtra Border Check Post Network Limited, a subsidiary company, based upon recommendation made by the project lenders' engineer and technical experts appointed by project authorities. Pending final approval by the Government of Maharashtra, no adjustments are considered necessary in these consolidated Ind AS financial statement. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment of BOT assets(Intangible)(as described in note 3.9 of the consolidated financial statements)	
<p>The Group operates toll assets which is constructed on Build Operate and Transfer (BOT) basis. The carrying value of the toll collection / user fee rights as at March 31, 2019 is INR 90,095.03 million.</p> <p>The management has performed an impairment assessment by comparing the carrying value of BOT assets with their recoverable amount.</p> <p>For the purpose of impairment testing, /recoverable amount has been determined based on discounted future cash flows. Further, the recoverable amount is highly sensitive to changes in critical variable used for forecasting the future cash flows including growth rate, discount rate, change in traffic and tolls and future operating and finance cost. The determination of the recoverable amount of the BOT assets involves significant judgement and accordingly, the evaluation of impairment of toll collection rights has been determined as a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Group's valuation methodology applied in determining the recoverable amount of its BOT assets. • Obtained and assessed the key assumptions around the cash flow forecasts like growth rate, change in traffic and toll and future operating and finance costs based on the financial models which is used during financial closure documents / refinancing documents. • Assessed the appropriateness of the weighted average cost of capital used in the determining recoverable amount. • Discussed/ evaluated potential changes in key drivers as compared to previous year / actual performance in order to evaluate whether the inputs and assumption used in the cash flow forecasts were appropriate. • Obtained and assessed financial statement of subsidiaries to evaluate its performance. • Performed sensitivity analysis of key assumption. • Tested the arithmetical accuracy of the model. • Assessed the disclosures made by the Group in relation to this matter.
Assessment of going concern basis - Negative net worth at Consolidation level (as described in note 51 of the consolidated financial statements)	
<p>As at March 31, 2019, the Group had accumulated losses of INR 20,009.41 million which has resulted in erosion of the Group's net worth by INR 5,485.94 million and also negative working capital of INR 12,813.15 million i.e. current liabilities is excess over current assets.</p> <p>The Group believes that the accumulated losses is mainly because of non-cash expenditure like amortisation of intangible assets, provision of major maintenance, unwinding of discount of financial liabilities. Thus, they have generated sufficient liquidity from operation and also they have the support from the parent company as disclosed in note 51, accordingly, they believe that it has sufficient liquidity to meet its financial obligations as they fall due for the following twelve months.</p> <p>We have identified the assessment of going concern assumption as a key audit matter considering that the Company has a net equity deficit and negative net working capital.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process of management assessment of going concern and also assessed the same. • Obtained and assessed financial performance as well as future cash flow of all subsidiaries which is mentioned above in "Impairment of BOT assets (Intangible)". • Assessed the group's capability to meet its financial obligation fall due within next twelve months. • Obtained and evaluated loan agreement with Parent company toward financial support to the group. • Assessed the disclosures made by the Group in relation to this matter.

Revenue from Toll Operation and Construction services under Service Concession Arrangement (refer note no 3.4 and 3.5 of the financial statements)	
<p>The Group has 10 operational BOT assets as well as 1 operational annuity asset and 12 under construction of hybrid annuity assets of road infrastructure under the concession agreement with National Highway Authority of India (NHAI) or state/local authorities, which falls within the scope of appendix C of Ind AS 115, Service Concession Arrangements.</p> <p>In case of operational BOT assets (intangible), the company operates and earns revenue by collecting toll on the road constructed. This involves large volume of cash collection and use of customized equipment installed at the toll plaza for correctly identifying vehicle type, calculating fare and for appropriate billing and collection.</p> <p>In case of annuity and hybrid annuity assets (financial assets), the group provides construction and operational services against fixed annuity receivable from NHAI under the concession agreement. Revenue recognition is involved significant judgement and estimates relating to identification of distinct performance obligations, determination of fair value of services and finance income on financial assets using effective interest rate.</p> <p>Based on above, we regard this as the key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtained an understanding of the processes and controls placed for revenue recognition process, evaluated the key controls around such process and tested those controls for the operating effectiveness. • Below are our audit procedures in respect of Toll revenue: <ul style="list-style-type: none"> • Involved the experts in testing of Information Technology General Controls (ITGCs) and application controls. • Obtained and tested reconciliation of toll collected as per transaction report (generated from toll system) with cash deposited in bank and revenue recorded in the books. • On test check basis, traced the daily collection from bank statement to daily cash toll collected and the revenue recorded. • Tested the rationalisation done by management by multiplying the toll rate charged for each category of vehicle as per NHAI or state/local authorities' notification with the number of vehicles (as per transaction report) and its reconciliation with the revenue recorded in accounts. • Performed analytical procedures on transactions to detect unusual transactions/trends. • Performed revenue cut off procedures. • Below are our audit procedures in respect of revenue on annuity and hybrid annuity assets: <ul style="list-style-type: none"> • Obtained and assessed key terms of the concession agreement. • Obtained and assessed basis of identification performance obligation and determination of fair value of services. • Obtained and assessed the key assumptions around the financial model like forecasting of price escalation and corresponding costs which is used during financial closure documents. • Tested the arithmetical accuracy of the model as well determination of effective interest rate. • Assessed the relevant disclosures made by the company relating to the revenue
Provision toward periodical major maintenance obligations (as described in note 42 of the consolidated financial statements)	
<p>As at March 31, 2019, the Group has recognised provision of INR 4,262.81 million toward its periodical major maintenance obligation.</p> <p>As per the concession agreement, the Group is obligated to carry out resurfacing of the roads every 5 years.</p> <p>The estimate made by the Group over the concession period, involves detailed calculation and estimation of traffic forecast and cost of resurface. In view of the judgement involved in determination of provision and the amount involved, the provision for major maintenance obligation is considered to be a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Understood the Group's process associated with the estimation of periodical major maintenance obligation; • Understood the requirement under concession agreement; • Obtained and checked estimation working of major maintenance obligation prepared by the management; • Tested assumption such as traffic forecast and cost of resurface used in determining the provisions; • Also compared these assumptions with previous year and enquired into reasons for any variations; • Tested the arithmetical accuracy and also assessed the disclosure in the financial statement.
Receivable from authorities toward various claims (as described in note 13 of the consolidated financial statements)	
<p>As at March 31, 2019, the Group has recognised INR 1,653.69 millions of receivable from authorities toward various claims.</p> <p>The receivables comprises of receivables towards arbitration claim, receivable towards toll suspension / toll exemption claim and receivable toward claim toward execution of additional scope.</p> <p>The assessment of the recover ability of receivables requires significant management judgment and hence, this is considered as a key audit matter.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Inquired status of receivable with the management and understood the management rational of recover ability of such receivable. • Obtained and assessed supporting documents / correspondences with authorities related to such receivable. • Assessed the disclosures made by the Group in relation to this matter.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated 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 financial statements or our knowledge obtained in the 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.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS 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 consolidated Ind AS 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 Act, we are also responsible for expressing our opinion on whether the Holding 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 17 subsidiaries whose Ind AS financial statements include total assets of INR 68,817.93 million as at March 31, 2019, and total revenues of INR 25,953.63 million and net cash outflow of INR 0.13 million for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports, we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account mentioned for the purpose of preparation of the consolidated Ind AS financial statement;

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India 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 and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company and its subsidiaries to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate Ind AS financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group— Refer Note 41 to the consolidated Ind AS financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2019.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 27, 2019

For For S G D G & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: W100188

per **Devansh Gandhi**

Partner

Membership Number: 129255

Place of Signature: Ahmedabad

Date: May 27, 2019

Annexure to the Independent Auditor's report of even date on the consolidated Ind AS Financial Statements of Sadbhav Infrastructure Project Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) in conjunction with our audit of the consolidated Ind AS financial statements of Sadbhav Infrastructure Project Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Sadbhav Infrastructure Project Limited (hereinafter referred to as the “Holding Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, both issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A Holding company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these seventeen subsidiary companies which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**

Partner

Membership Number: 101974

Place of Signature: Ahmedabad

Date: May 27, 2019

For For S G D G & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: W100188

per **Devansh Gandhi**

Partner

Membership Number: 129255

Place of Signature: Ahmedabad

Date: May 27, 2019

Consolidated Balance Sheet as at March 31, 2019

(INR in Million)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
1 Non-current assets			
(a) Property plant and equipment	5	173.78	184.40
(b) Investment property	6	21.92	21.92
(c) Goodwill on consolidation	7	2,043.74	2,043.74
(d) Intangible assets	7	90,095.15	90,670.14
(e) Other Intangible assets under development	7	929.57	2,889.99
(f) Financial assets			
(i) Investments	8	-	0.02
(ii) Receivable under service concession arrangement	12	21,672.25	1,800.43
(iii) Other financial assets	13	175.05	167.89
(g) Deferred tax assets (Net)	33	0.08	0.12
(h) Other assets	14	366.57	334.80
Total Non-current assets		1,15,478.11	98,113.45
2 Current assets			
(a) Financial assets			
(i) Investments	8	978.57	423.07
(ii) Trade receivables	9	320.50	7.69
(iii) Cash and cash equivalents	10	725.21	558.38
(iv) Bank Balances other than (iii) above	10	-	21.08
(v) Loans	11	170.70	170.70
(vi) Receivable under service concession arrangement	12	4,176.75	10,089.26
(vii) Other financial assets	13	2,051.69	1,652.57
(b) Current tax assets (Net)	15	36.08	1.18
(c) Other assets	14	6,030.26	4,621.57
Total Current assets		14,489.76	14,545.50
Total Assets		1,29,967.87	115,658.95
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	3,522.25	3,522.25
Other equity	17	(9,008.19)	(6,179.98)
Equity attributable to owners of the company		(5,485.94)	(2,657.73)
Non controlling interest		(18.55)	106.14
Total equity		(5,504.49)	(2,551.59)
LIABILITIES			
1 Non-Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	18	88,156.10	78,379.68
(ii) Other financial liabilities	21	17,093.49	15,536.42
(b) Provisions	23	2,169.69	1,769.18
(c) Deferred tax liabilities (Net)	33	750.17	675.04
Total Non-current liabilities		1,08,169.45	96,360.32
2 Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	19	6,443.73	5,693.92
(ii) Trade payables	20		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		7,158.21	3,434.35
(iii) Other financial liabilities	21	6,464.14	6,128.95
(b) Other current liabilities	22	4788.67	4,898.64
(c) Provisions	23	2,205.47	1,540.80
(d) Current tax liabilities (Net)	24	242.69	153.56
Total Current liabilities		27,302.91	21,850.22
Total Equity and Liabilities		1,29,967.87	1,15,658.95

Summary of significant accounting policies 3

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003
per Sukrut Mehta
Partner
Membership No.: 101974
Date: May 27, 2019
Place: Ahmedabad

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.:W100188
per Devansh Gandhi
Partner
Membership No.: 129255
Date: May 27, 2019
Place: Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited
Vasistha Patel
Managing Director
DIN: 00048324
Hardik Modi
Company Secretary
Membership No.: F9193
Date: May 27, 2019
Place: Ahmedabad
Shashin Patel
Director
DIN: 00048328
Varun Mehta
Chief Financial Officer

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

(INR in Million)

Particulars	Note No.	March 31, 2019	March 31, 2018
INCOME			
I Revenue from operations	25	35,479.32	22,623.82
II Other income	26	1,820.44	600.98
III Total Income (I+II)		37,299.76	23,224.80
IV EXPENSES			
(a) Consumption of project materials	27	22.39	150.32
(b) Sub - contract charges		21,438.44	8,769.99
(c) Operating expenses	28	2,398.64	2,389.35
(d) Employee benefits expenses	29	529.17	483.28
(e) Finance costs	30	11,747.52	11,408.81
(f) Depreciation and amortisation expenses	31	2,963.10	2,605.13
(g) Other expenses	32	606.72	390.14
Total Expenses		39,705.98	26,197.02
V (Loss) before exceptional item and tax (III - IV)		(2,406.22)	(2,972.22)
VI Exceptional items	55	(534.57)	
VI (Loss) before tax (V - VI)		(1,871.65)	
VII Tax expense:			
(a) Current tax		531.25	320.45
(b) Deferred tax		53.48	86.58
(c) Adjustment of Current Tax relating to earlier years		22.27	0.48
Total tax expense (a+b+c)		607.00	407.51
XI Net (Loss) for the year (VII-VIII)		(2,478.65)	(3,379.73)
Other Comprehensive (Loss) / Income			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans (net of tax) (refer note 38)		(1.45)	1.26
Income tax effect		-	
X Total Other Comprehensive (Loss)/Income for the year (net of tax)		(1.45)	1.26
XI Total Comprehensive (Loss) for the year (net of tax) (IX+X)		(2,480.10)	(3,378.47)
Net (Loss) for the year attributable to:			
Owners of the company		(2,452.73)	(3,290.37)
Non-controlling Interest		(25.92)	(89.36)
Other comprehensive (Loss)/Income attributable to:			
Owners of the company		(1.44)	1.37
Non-controlling Interest		(0.01)	(0.11)
Total Comprehensive (Loss) for the year attributable to:			
Owners of the company		(2,454.17)	(3,289.00)
Non-controlling Interest		(25.93)	(89.47)
Earning / (Loss) per equity share [Nominal value of shares INR 10 each (31 March 2018 - INR 10/-)]			
Basic & diluted (in INR)	37	(6.97)	(9.34)

Summary of significant accounting policies 3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003
per Sukrut Mehta
Partner
Membership No.: 101974
Date: May 27, 2019
Place: Ahmedabad

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.:W100188
per Devansh Gandhi
Partner
Membership No.: 129255
Date: May 27, 2019
Place: Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited
Vasistha Patel
Managing Director
DIN: 00048324
Hardik Modi
Company Secretary
Membership No.: F9193
Date: May 27, 2019
Place: Ahmedabad
Shashin Patel
Director
DIN: 00048328
Varun Mehta
Chief Financial Officer

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A Equity Share Capital

Equity shares of INR 10 each issued, subscribed and fully paid (Note 16)	Number of shares	INR in Million
As at April 1, 2017	35,22,25,216	3,522.25
Add/(Less): Changes during the year	-	-
As at March 31, 2018	35,22,25,216	3,522.25
As at April 1, 2018	35,22,25,216	3,522.25
Add/(Less): Changes during the year	-	-
As at March 31, 2019	35,22,25,216	3,522.25

B Other Equity

(INR in Million)

Particulars	Equity component of compound financial instrument (Note 17)	Attributable to the equity holders of the parent						Non Controlling Interest	Total
		Reserve & Surplus					Total		
		Securities premium (Note 17)	Capital reserve (Note 17)	Debt-ure Redemption Reserve (Note 17)	General Reserve (Note 17)	Retained earnings (Note 17)			
As at April 1, 2017	532.22	9,039.27	75.80	333.55	-	(12,786.63)	(2,805.79)	262.29	(2,543.49)
Loss for the year	-	-	-	-	-	(3,290.37)	(3,290.37)	(89.36)	(3,379.73)
Other comprehensive income							-		
Remeasurement (losses) on defined benefit plans	-	-	-	-	-	1.37	1.37	(0.11)	1.26
Total comprehensive income for the year	-	-	-	-	-	(3,289.00)	(3,289.00)	(89.47)	(3,378.47)
Addition in compound financial instrument	-	-	-	-	-	-	-	(66.68)	(66.68)
Interim dividend paid (including dividend distribution tax)	-	-	-	-	-	(85.19)	(85.19)	-	(85.19)
Transfer from retained earnings to debenture redemption reserve	-	-	-	462.19	-	(462.19)	-	-	-
As at March 31, 2018	532.22	9,039.27	75.80	795.74	-	(16,623.02)	(6,179.98)	106.14	(6,073.83)
As at April 1, 2018	532.22	9,039.27	75.80	795.74	-	(16,623.02)	(6,179.98)	106.14	(6,073.83)
Loss for the year	-	-	-	-	-	(2,452.73)	(2,452.73)	(25.92)	(2,478.64)
Other comprehensive income									
Remeasurement gain on defined benefit plans	-	-	-	-	-	(1.44)	(1.44)	(0.01)	(1.45)
Total comprehensive income for the year	-	-	-	-	-	(2,454.17)	(2,454.17)	(25.94)	(2,480.09)
Reduction in compound financial instrument	-	-	-	-	-	-	-	(30.00)	(30.00)
Final dividend paid (including dividend distribution tax)	-	-	-	-	-	(84.75)	(84.75)	-	(84.75)
Interim dividend paid (including dividend distribution tax)	-	-	-	-	-	(126.78)	(126.78)	-	(126.78)
Transfer from retained earnings to debenture redemption reserve	-	-	-	358.93	-	(358.93)	-	-	-

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

Transfer from debenture redemption reserve to general reserve	-	-	-	(478.45)	478.45	-	-	-	-
Transfer of amount from non-controlling interest	199.26	-	-	-	-	(358.11)	(158.85)	(68.75)	(227.60)
Share issue expense						(3.66)	(3.66)	-	(3.66)
As at March 31, 2019	731.48	9,039.27	75.80	676.22	478.45	(20,009.41)	(9,008.19)	(18.55)	(9,026.74)

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

For S R B C & CO LLP
Chartered Accountants

ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta

Partner

Membership No.: 101974

Date: May 27, 2019

Place: Ahmedabad

For S G D G & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration No.:W100188

per Devansh Gandhi

Partner

Membership No.: 129255

Date: May 27, 2019

Place: Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Vasistha Patel
Managing Director
DIN: 00048324

Hardik Modi
Company Secretary
Membership No.: F9193

Date: May 27, 2019

Place: Ahmedabad

Shashin Patel
Director

DIN: 00048328

Varun Mehta
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended on March 31, 2019

(INR in Million)

Particulars	March 31, 2019	March 31, 2018
(A) Cash flows from operating activities		
(Loss) before tax	(1,871.65)	(2,972.22)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	2,963.10	2,605.13
Finance cost	11,747.52	11,408.81
Profit on sale of property, plant and equipments	-	(0.11)
Profit on sale of units of mutual funds (net)	(84.47)	(53.88)
Provision of Periodic maintenance expenses	971.88	1,184.35
Interest income from deposit with bank	(12.10)	(3.03)
Liabilities no longer required written back	(123.60)	(10.96)
Operating Profit before working capital changes	13,590.68	12,158.09
Movement in working capital:		
(Increase) in trade receivables (including receivable under service concession)	(14,272.12)	(8,092.83)
(Increase) in other financial assets	(106.21)	(401.00)
(Increase) in other assets	(1,412.21)	(4,436.98)
Increase in trade payables	3,847.89	2,419.90
Increase in other financial liabilities	1,031.54	684.87
(Decrease) / Increase in other liabilities	(109.97)	4,709.03
(Decrease) in provisions	(141.73)	(795.55)
Cash generated from operating activities	2,427.45	6,245.54
Direct taxes paid (net of refund received)	(502.76)	(215.59)
Net cash flows generated from operating activities (A)	1,924.69	6,029.95
(B) Cash flows from investing activities		
Purchase of PPE and other intangible assets (including Intangible asset under development)	(1,045.36)	(1,152.46)
Proceeds from disposal of property plant and equipment	0.70	7.69
Purchase of investment property	-	(1.08)
Proceeds from short term loan given	-	7.08
Payment for acquisition of non-controlling interest in subsidiary	(227.60)	-
Investments in bank deposits (having original maturity of more than three months)	(95.35)	(28.43)
Redemption of bank deposits (having original maturity of more than three months)	21.08	
Redemption / (purchase) from sale of units of mutual fund (net) (including realised gain)	(471.01)	189.07
Interest received	(192.62)	2.91
Net cash flows (used in) investing activities (B)	(2,010.07)	(975.23)

Consolidated Cash Flow Statement for the year ended on March 31, 2019

(INR in Million)

Particulars	March 31, 2019	March 31, 2018
(C) Cash flows from financing activities		
Share issue expenses	(3.66)	-
Repayment towards compound financial instruments - Non-controlling interest	(30.00)	(66.69)
Proceeds from non-current borrowings	18,727.74	32,950.14
Repayment of non-current borrowings	(8,483.04)	(31,054.15)
Proceeds from current borrowings	5,305.48	2,012.64
Repayment of current borrowings	(4,555.67)	(896.95)
Dividend paid on equity shares (including dividend distribution tax)	(211.53)	(85.19)
Interest and other borrowing cost paid	(10,497.03)	(7,860.03)
Net cash flows (used) in financing activities (C)	(252.31)	(5,000.23)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	166.83	54.49
Cash and cash equivalents at beginning of the year	558.38	503.89
Cash and cash equivalents at end of the year	725.21	558.38
Notes:		
1 Components of cash and cash equivalents: (refer note 10)		
Cash on hand	69.78	44.22
Balances with banks:		
- In current accounts	519.73	514.16
- In fixed deposits for less than three months	137.70	-
Cash and cash equivalents	725.21	558.38

2 The cash flow statement has been prepared under indirect method as per Ind AS -7 "Statement of Cash Flows".

3 **Changes in liabilities arising from financing activities** (INR in Million)

Particulars	April 1, 2018	Net Cash flow	Change in fair value	Others*	March 31, 2019
Non-current borrowings (Including current maturities)	81,499.83	10,244.71	153.42	188.58	92,086.54
Current borrowings	5,693.92	749.81	-	-	6,443.70
Interest accrued on borrowings	2,513.57	10,497.03	-	11,360.53	3,377.07
Total	89,707.32	497.49	153.42	11,549.11	1,01,907.34

* Others represent exchange difference on external commercial borrowing as well as interest accrued during the year.

Particulars	April 1, 2017	Net Cash flow	Change in fair value	Others*	March 31, 2018
Non-current borrowings (Including current maturities)	78,623.45	1,895.99	949.26	31.13	81,499.83
Current borrowings	4,578.24	1,115.68	-	-	5,693.92
Interest accrued on borrowings	1,450.48	(7,860.03)	-	8,923.12	2,513.57
Total	84,652.17	(4,848.36)	949.26	8,954.25	89,707.32

* Others represent exchange difference on external commercial borrowing as well as interest accrued during the year.

4 Figures in brackets represent cash outflows.

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003
per Sukrut Mehta
Partner
Membership No.: 101974
Date: May 27, 2019
Place: Ahmedabad

For S G D G & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration No.: W100188
per Devansh Gandhi
Partner
Membership No.: 129255
Date: May 27, 2019
Place: Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited
Vasistha Patel
Managing Director
DIN: 00048324
Hardik Modi
Company Secretary
Membership No.: F9193
Date: May 27, 2019
Place: Ahmedabad
Shashin Patel
Director
DIN: 00048328
Varun Mehta
Chief Financial Officer

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

1. Company information:

The Consolidated Financial Statements comprise of financial statements of Sadbhav Infrastructure Project Limited ('the Company' or 'SIPL') and its subsidiaries (collectively, 'the Group') for the year ended March 31, 2019. The Company is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is situated at "Sadbhav House", Opp. Law Garden Police Chawki, Ellisbridge, and Ahmedabad-380006.

The Group undertakes road and related infrastructure development projects directly or indirectly through Special Purpose Vehicles (SPVs) as per the concession agreements on BOT or Annuity basis. The Company is a subsidiary of Sadbhav Engineering Limited ("SEL"), a company listed on Indian stock exchanges and engaged in providing engineering, procurement and construction services ("EPC") in the road and other infrastructure projects.

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 27, 2019.

2. Basis of preparation:

2.1 The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and presentation requirements of Division II of Schedule the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to consolidated financial statements.

The Consolidated financial statements have been prepared on accrual and historical cost basis, except for:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Derivative financial instruments measured at fair value

The Consolidated financial statements are presented in Indian Rupee ('INR') which is also the Group's functional currency and all values are rounded to the nearest Million (INR 000,000), except when otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries listed below as at 31 March 2019. Control is achieved when the Company is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has;

- Power over the investee (i.e. existing rights that give it the current liability to direct the relevant activities of investee)
- Exposure, or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The Contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. As the financial assets and intangible assets recognized under service concession arrangement are acquired in exchange for infrastructure construction / upgrading services, gains / losses on intra group transactions are treated as realized and not eliminated on consolidation.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e. year ended on 31 March.

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

Consolidation Procedure:

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Goodwill policy explains how to account for any related goodwill.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full, except as stated in point iv. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial Statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- iv. The Build, Operate & Transfer (BOT)/ Design, Build, Finance, Operate & Transfer (DBFOT) contracts are governed by service concession agreements with government authorities (Grantor). Under these agreements, the operator (Group Companies) which are Special Purpose Vehicles, does not own the Infrastructure assets, but gets toll collection/service fee rights against the construction services rendered. Since the construction revenue earned by the Group companies is considered as exchanged with the grantor against toll collection/service fee rights, profit from such contracts is considered as realized. Accordingly, the intra group transactions on BOT/DBFOT contracts and the profits arising thereon are taken as realized and not eliminated.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flow relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The following entities are considered in the Consolidated Financial Statements as well as the Company's voting power in entities listed below:

Sr. No.	Name of Entity	Proportion of Ownership Interest (%)	
		As at March 31, 2019	As at March 31, 2018
1.	Ahmedabad Ring Road Infrastructure Limited (ARRIL)	100%	100%
2.	Aurangabad Jalna Tollway Limited (AJTWL)	100%	100%
3.	Bijapur Hungud Tollway Private Limited (BHTPL)	77%	77%
4.	Hyderabad Yadgiri Tollway Private Limited (HYTPL)	100%	100%
5.	Maharashtra Border Check Post Network Limited(MBCPNL)	100%	91%
6.	Rohtak Panipat Tollway Private Limited (RPTPL)	100%	100%
7.	Shreenathji-Udaipur Tollway Private Limited (SUTPL)	100%	100%
8.	Bhilwara Rajsamand Tollway Private Limited (BRTPL)	100%	100%
9.	Rohtak Hissar Tollway Private Limited (RHTPL)	100%	100%
10.	Nagpur Seoni Expressway Limited (NSEL)	100%	100%
11.	Dhule Palesner Tollway Limited (DPTL)	100%	100%
12.	Sadbhav Bhavnagar Highway Private Limited (SBHPL)	100%	100%
13.	Sadbhav Rudrapur Highway Private Limited (SRHPL)	100%	100%
14.	Sadbhav Una Highway Private Limited (SUHPL)	100%	100%
15.	Sadbhav Nainital Highway Private Limited (SNHPL)	100%	100%
16.	Sadbhav Bangalore Highway Private Limited (SBGHPL)	100%	100%
17.	Sadbhav Udaipur Highway Private Limited (SUDHPL)	100%	100%
18.	Sadbhav Vidarbha Highway Private Limited (SVHPL)	100%	100%
19.	Sadbhav Jodhpur Ring Road Private Limited (SJRRPL)	100%	100%
20.	Sadbhav Tumkur Highway Private Limited (STHPL)	100%	100%
21.	Sadbhav Vizag Port Road Private Limited (SVPRRPL) (note (ii) below)	100%	-
22.	Sadbhav Kim Expressway Private Limited (SKEPL) (note (ii) below)	100%	-
23.	Sadbhav Bhimasar Bhuj Highway Private Limited (SBBHPL) (note (ii) below)	100%	-
24.	Sadbhav Hybrid Annuity Project Limited (SHAPL) (note (ii) below)	100%	-

Notes:

- (i) All the above entities has principal nature of activity is Infrastructure and are incorporated in India.
- (ii) During the year ended March 31, 2019, four new subsidiaries, i.e.Sadbhav Vizag Port Road Private Limited, Sadbhav Kim Expressway Private Limited, Sadbhav Bhimasar Bhuj Highway Private Limited and Sadbhav Hybrid Annuity Project Limited have been incorporated.

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

3. Summary of significant accounting policies

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

3.1 Goodwill / Capital Reserve:

The excess of cost to the group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognized as 'Goodwill' being an asset in the Consolidated Financial Statements. This Goodwill is tested for impairment at the close of each financial year. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the group it is recognized as 'Capital Reserve' in the consolidated financial statements.

3.2 Current versus non-current classification

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

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Expected to be realized within twelve months after the reporting period; or
- Held primarily for the purpose of trading; 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
- Held primarily for the purpose of trading; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group 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 Group has identified twelve months as its operating cycle.

3.3 Foreign currency transactions:

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency.

Transaction 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 the following:

- 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.

3.4 Service concession arrangement

Toll Collection / User fee right (BOT Model):

The Group builds infrastructure assets viz roads / infrastructure facilities under public-to-private Concession Arrangements which it operates and maintains for periods specified in the Concession Arrangements.

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

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

Financial Assets Model

The group recognizes the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with Appendix D to Ind AS 115. The group recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the contract for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law.

Premium capitalization

Under some of the concession agreements, the Group has contractual obligation to pay premium (concession fees) to National Highway Authority of India ("NHAI"), Grantor, over the concession period. Such obligation has been recognized up front on a discounted basis when the project gets completed as per the Concession Agreements as 'Intangible assets – Toll Collection Right' and corresponding obligation for committed premium is recognized as liabilities.

Amortization

The intangible assets which are recognized in the form of Toll collection / user fee right to charge users of the infrastructure asset are amortized by taking proportionate of actual revenue received for the year over Total Projected Revenue from project to Cost of Intangible assets i.e. proportionate of actual revenue earned for the year over Total Projected Revenue from the Intangible assets expected to be earned over the balance concession period as estimated by the management.

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

3.5 Revenue from contract with customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

i. Toll / check post operation services

Revenue from Toll operation services is recognized over a period as each toll road-user simultaneously receives and consumes the benefits provided by the Group. However, given the short time period over which the group provides road operating services to each road user (i.e. the duration of the time it takes the road user to travel the length of the toll road), the group recognizes toll revenue when it collects the tolls as per rates notified by NHAI / state authorities.

ii. Construction services

Revenue from construction services is recognized over a period as the customer simultaneously receives and consumes the benefits provided by the Group and measure revenue based on input method i.e. revenue recognized on the basis of cost incurred to satisfaction of a performance obligation relative to the total expected cost to the satisfaction of that performance obligation. If the outcome of a performance obligation satisfied over time cannot be reasonably measured, revenue is calculated using the zero-profit method in the amount of the contract costs incurred and probably recoverable.

The total costs of contracts are estimated based on technical and other estimates. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. Contract revenue earned in excess of billing is reflected under as "contract asset" and billing in excess of contract revenue is reflected under "contract liabilities".

Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract.

Variable Consideration

The nature of the company's contracts gives rise to several types of variable consideration, including claims, change in law, liquidated damages and penalties. The company recognizes revenue for variable consideration when it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The company estimates the amount of revenue to be recognized on variable consideration using the expected value (i.e., the sum of a probability-weighted amount) or the most likely amount method, whichever is expected to better predict the amount.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Group performs by transferring services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 3.14 Financial instruments – initial recognition and subsequent measurement.

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

Contract liabilities

A contract liability is the obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

3.6 Other Income

Interest

For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Profit or loss on sale of Mutual Fund

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

Dividend

Dividend is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

3.7 Property, Plant and Equipment's:

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

All other expenses on existing property plant and equipment, including day-to-day repair and maintenance expenditure are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

De-recognition

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

Depreciation

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

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

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

3.8 Intangible assets:

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

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

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

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

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

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

Amortization

Software is amortized over management estimate of its useful life of 3-6 years

The residual value, useful live and method of depreciation of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Intangible assets under development

Expenditure related to and incurred during implementation of infrastructure project are included under "Intangible Assets under Development". The same is transferred to the respective intangible assets on completion of project.

3.9 Impairment – Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists the group estimates the asset's recoverable amount or cash-generating unit's (CGU). An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. The recoverable amount is determined for an individual asset which is based on the discounting of estimated future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. When the carrying amount of an asset or CUG exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized in the statement of profit and loss.

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

The Group bases its impairment calculation on detailed budgets and forecasts calculation (DCF method). These budgets and forecast calculations are generally covering a period of the concession agreements using long terms growth rates applied to future cash flows.

Intangible assets with indefinite useful lives are tested for impairment annually as and when circumstances indicate that the carrying value may be impaired and charges to consolidated statement of profit and loss accounts.

3.10 Investment Property

Investment Property is measured initially at cost including related transaction costs. Such cost comprises the purchase price and borrowing cost if capitalization criteria are met. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. All day-to-day repair and maintenance expenditure are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

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

3.11 Inventories

Project Inventories are valued at lower of cost and net realizable value. Cost comprise all cost of purchase, and other costs incurred in bringing the inventories to their present location and condition. Cost of materials is determined on first-in-first-out basis. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

3.12 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. Investment income earned on temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are expensed in the year they occur. Borrowing cost consist of interest and other costs that Group incurs in connection with the borrowing of funds as defined in Indian Accounting Standard 23 – Borrowing Cost.

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

3.13 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.

Group as lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. An operating lease is a lease other than a finance lease.

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

3.14 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

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in note 3.5 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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 recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii. Subsequent measurement of financial assets

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

- Debt Instrument at amortized cost
- Debt Instrument, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Debt instruments at amortized cost
A 'debt instrument' is measured at the amortized cost if both the below conditions are met;
 - 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.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. 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 in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

- Debt Instruments 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.

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

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

iii. De-recognition of financial assets

A financial asset is de-recognized when the contractual rights to the cash flows from the financial asset expire or the Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group 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 Group could be required to repay.

iv. Impairment of financial assets

The Group 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 recognized is recognized as an impairment gain or loss in profit or loss.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables and
- Other receivables

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

b) Financial Liabilities

i. Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognized initially at fair value, in case of loan and borrowings and payables, fair value is reduced by directly attributable transaction costs.

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

ii. Subsequent measurement of financial liabilities

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

• Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such 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 risk are recognized in OCI. These gains / loss are not subsequently transferred to P&L. However, the group 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. The group has not designated any financial liability as at fair value through profit and loss.

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

- **Loans and Borrowings**

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 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 consolidated statement of profit and loss. This category generally applies to borrowings.

- **Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iii. Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognized from its balance sheet when the obligation specified in the contract is discharged or cancelled or expired.

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

c) **Derivative financial instruments**

The Group uses derivative financial instruments, such as options and interest rate swaps, to hedge its foreign currency risks and interest rate risks. These derivative contracts do not qualify for hedge accounting under Ind AS 109, Financial Instrument and are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

d) **Offsetting of financial instruments**

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

3.15 Fair Value Measurement

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

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

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

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

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 Group 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:

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

- 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group'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 Group'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 Group 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)

3.16 Employee Benefits

a) Short Term Employee Benefits

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

b) Post-Employment Benefits

(i) Defined contribution plan

The Group's approved provident fund scheme is defined contribution plans. The Group has no obligation, other than the contribution paid/payable to the provident fund and employee state insurance fund. The Group recognize contribution paid/payable under the provident fund is charged to consolidated statement of profit & loss account during the period in which the employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid.

(ii) Defined benefit plan

The employee's gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is measured based on the actuarial valuation using the Projected Unit Credit Method as at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the balance sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

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

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

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

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

c) Other employment benefits:

The employee's compensated absences, which is expected to be utilized or encashed within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as result of the unused entitlement that has accumulated at the reporting date. As per Group's policy, no leave are expected to be carried forward beyond 12 month from the reporting date.

3.17 Government grants

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

3.18 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 are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

Deferred tax assets are recognized 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 Group's subsidiaries are eligible for a tax holiday under section 80IA for a block of 10 consecutive assessment year out of 20 year beginning of toll operation. Accordingly, 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 Group 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 Group 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.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax for the year. The deferred tax asset is recognized for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the group recognizes MAT credit as an asset, it is created by way of credit to the consolidated statement of profit and loss and shown as part of deferred tax asset. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

3.19 Provisions

General

Provisions are recognized when the Group 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 reimbursements, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provision are reviewed at each balance sheet and adjusted to reflect the current best estimates.

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

The Group has contractual obligations to maintain the road / infrastructure to a specified level of serviceability or restore the road / infrastructure to a specified condition before it is handed over to the grantor of the Concession Agreements. Such obligations are measured at the best estimate of the expenditure that would be required to settle the obligation at the balance sheet date. In case of intangible assets, the timing and amount of such cost are estimated and determined by estimated cash flows, expected to be incurred in the year of overlay. Such costs are recognized by charging it to revenue on the basis of units of usage method i.e. on the number of vehicles expected to use the project facility, over the period at the end of which the overlay is estimated to be carried out based on management estimates.

3.20 Contingent liabilities

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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liabilities are reviewed at each balance sheet date.

3.21 Premium deferral

Premium deferral (i.e. premium payable less paid after adjusting premium deferral) is aggregated under premium deferred obligation in the balance sheet. The interest payable on the above is aggregated under premium deferral obligation. Interest on premium deferral is charged to the statement of profit and loss.

3.22 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which is subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Group's cash management.

3.23 Cash dividend distribution to equity holders

The Group recognizes a liability to make cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

3.24 Earnings per share

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

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

3.25 Segment reporting

Based on management approach as defined in Indian Accounting Standard 108 – "Operating Segment", Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker for evaluation of Group's performance.

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

3.26 Changes accounting policies and disclosure

New and amended standards

The group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Ind AS 115 Revenue from Contracts with Customer

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption. There were no significant adjustments required to the retained earnings as at April 01, 2018. The adoption of the standard did not have any material impact on these consolidated financial statements.

Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

4. Significant accounting judgements, estimates and assumption

The preparation of the Group'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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

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.

Service concession arrangement – Toll collection / user fee right

The Cash flow model indicates the cash flow to be generated over the project life cycle. The key inputs of the model comprise of revenue inflows (Toll/user fee), expenses to incurred to earn the revenue, estimations on cost to build and maintain the asset, interest obligations based on financing pattern and other operational efficiencies. These inputs are based on circumstances existing and management judgement / assumption on the future expectations based on current situations. Judgements include management view on expected earnings in future years, changes in interest rates, cost inflation, government policy changes, etc. These input assumptions could affect the reported cash flow from the related assets and accordingly these assumptions are reviewed periodically.

Amortization - Toll collection / user fee right

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

Provision for periodical Major Maintenance

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

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

Revenue from contract with customer

The Group uses the input method for recognize construction revenue. Use of the input method require the group to estimate the efforts or costs expended to the date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress toward completion of performance obligation as there is a direct relationship between input and productivity. Provision for estimated losses, if any, on uncompleted performance obligation are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Due to technical complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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.

5. Property plant and equipments

(INR in Million)

Particulars	Freehold Land	Building	Machineries and equipments	Furniture and fixtures	Vehicles	Computers	Office equipments	Total
Gross Block(refer note(i) bellow								
As at April 1, 2017	47.63	60.37	107.17	6.78	39.39	4.92	14.26	280.52
Addition	-	0.21	4.56	-	3.79	2.14	13.11	23.81
Disposal / Adjustment	-	-	(6.93)	-	(0.75)	-	-	(7.69)
As at March 31, 2018	47.63	60.58	104.80	6.78	42.43	7.06	27.37	296.64
Addition	-	-	4.09	0.82	2.34	5.75	11.00	24.00
Disposal / Adjustment	-	-	(0.20)	-	(2.12)	-	-	(2.34)
As at March 31, 2019	47.63	60.58	108.69	7.60	42.65	12.81	38.37	318.30
Accumulated Depreciation								
As at April 1, 2017	-	6.00	42.71	3.06	16.68	2.66	7.21	78.32
Charge for the year	-	2.85	20.27	1.12	7.35	1.43	5.83	38.85
On disposal / adjustment	-	-	(4.29)	-	(0.64)	-	-	(4.93)
As at March 31, 2018	-	8.85	58.69	4.18	23.39	4.09	13.04	112.24
Charge for the year	-	2.66	13.86	0.85	6.45	2.45	7.66	33.93
On disposal / adjustment	-	-	-	-	(1.71)	0.07	-	(1.64)
As at March 31, 2019	-	11.51	72.55	5.03	28.13	6.61	20.70	144.52
Net Block								
As at March 31, 2018	47.63	51.73	46.11	2.60	19.04	2.97	14.33	184.40
As at March 31, 2019	47.63	49.06	36.14	2.57	14.45	6.20	17.66	173.78

Notes:

- (i) The Group had elected to continue with the carrying value for all of its Property, plant and equipments as recognised in its previous GAAP (Indian accounting principle generally accepted in India as prescribed under section 133 of the Company Act, 2013 read with the Companies (Accounts) Rules, 2014), as deemed cost at the transition date i.e. April 1, 2015 as per option permitted under Ind AS 101 for the first time adoption.
- (ii) Property, plant and equipments have been pledged against non-current borrowings in order to fulfil the collateral requirement for the lenders (refer note 18).

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

6. Investment property

(INR in Million)

Particulars	Freehold land	Total
At Cost		
As at April 1, 2017	20.83	20.83
Addition	1.09	1.09
Disposal / adjustment	-	-
As at March 31, 2018	21.91	21.91
Addition	-	-
Disposal / adjustment	-	-
As at March 31, 2019	21.92	21.92
Accumulated Depreciation		
As at April 1, 2017	-	-
Charge for the year	-	-
On disposal / adjustment	-	-
As at March 31, 2018	-	-
Charge for the year	-	-
On disposal / adjustment	-	-
As at March 31, 2019	-	-
Net Block		
As at March 31, 2018	21.92	21.92
As at March 31, 2019	21.92	21.92

Notes:

- (i) There are no income arising from above investment property. Further, the group has not incurred any expenditure for above property.
- (ii) The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
- (iii) The fair value disclosure of investment property is not given as the property is acquired specifically for offering as security for non-current borrowings and based on the information available with the management that there are no material development in the area where land is situated. Accordingly, management believes that there is no material difference in fair value and carrying value of property.

7. Intangible asset and Intangible asset under development

(INR in Million)

Particulars	Toll collection rights	User fee rights	Computer software	Total	Goodwill on consolidation (refer note (v) below)	Intangible asset under development
Cost						
As at April 1, 2017	86,163.88	12,918.76	2.43	99,085.06	2,043.74	1,830.85
Additions	2.28	62.40	-	64.69	-	1,123.82
Effect of foreign currency exchange differences (refer note (ii) below)	31.13	-	-	31.13	-	-
Deletion / Adjustments	-	-	-	-	-	(64.69)
As at March 31, 2018	86,197.29	12,981.16	2.43	98,180.88	2,043.74	2,889.99
Additions	-	2,165.61	-	2,165.61	-	213.83
Effect of foreign currency exchange differences (refer note (ii) below)	188.58	-	-	188.58	-	-
Deletion / Adjustments	-	-	-	-	-	(2,174.25)
As at March 31, 2019	86,385.87	15,146.77	2.43	1,01,535.07	2,043.74	929.57
Accumulated Amortisation						
As at April 1, 2017	5,460.83	482.15	1.48	5,944.46	-	-
Charge for the year	2,309.09	256.59	0.60	2,566.28	-	-
On disposal / adjustment	-	-	-	-	-	-
As at March 31, 2018	7,769.91	738.74	2.09	8,510.74	-	-
Charge for the year	2,567.45	361.51	0.22	2,929.18	-	-
On disposal / adjustment	-	-	-	-	-	-
As at March 31, 2019	10,337.36	1,100.25	2.30	11,439.92	-	-
Net Block						
As at March 31, 2018	78,427.38	12,242.42	0.34	90,670.14	2,043.74	2,889.99
As at March 31, 2019	76,048.51	14,046.52	0.12	90,095.15	2,043.74	929.57

Note:

- (i) Toll collection rights also include premium paid / payable to Concessioning authorities under the concession agreement over the concession period. The fair value of premium of INR 10,159.45 million payable under the concession agreement at the time of receipt of completion certificate from the authority has been included in the Toll collection rights.

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

- (ii) The Group had adopted an option under Para 46A of AS 11 under previous GAAP which the group has elected to continue as per para D13AA of Ind AS 101 'First time adoption'. Accordingly, the exchange difference arising on reporting of long-term foreign currency monetary items, taken before transition period i.e. April 01, 2015, in so far as they relate to the acquisition of depreciable asset, is added or deducted from the cost of the asset and shall be amortised over the balance life of the asset.
- (iii) Toll collection right has been pledged against non-current borrowings in order to fulfill the collateral requirement of the Lenders (refer note 18).
- (iv) Refer note 48 for additional disclosure pursuant to Appendix - E to Ind AS 115 - "Service Concession Arrangements" ('SCA').
- (v) The Group has determined that goodwill arised from the acquisition of subsidiaries, has indefinite useful life. As at March 31, 2019, it is tested for impairment. The recoverable amount has been determined based on a value in use by calculating cash flow projections from financial projects. As at March 31, 2019, the recoverable value of its investment in subsidiaries to which goodwill relates is higher than the carrying amount of such investment, hence, no adjustment is considered necessary to the carrying value of goodwill by the management.
- (vi) In terms of the Concession agreement, deposits for electricity supply is considered as a part of the project cost, accordingly, the same had been capitalized under User fee rights.
- (vii) Refer note 50 for cost capitalised pending approval from government.

8. Investments

(INR in Million)

	March 31, 2019	March 31, 2018
Non-current		
Investment in others (valued at cost)		
Government securities - National Saving Certificates	-	0.02
Total (A)	-	0.02
Current		
Unquoted		
Investments carried at fair value through profit or loss		
Investment in units of mutual fund (refer note (i) below)	978.55	423.07
Investments in others (valued at cost)		
Government securities - National Saving Certificates	0.02	-
Total (B)	978.57	423.07
Total (C=A+B)	978.57	423.09
Aggregate amount of unquoted investments	978.57	423.09
Notes:		
(i) Details of investments in unquoted units of mutual funds	(INR in Million other than figures in bracket)	
	March 31, 2019	March 31, 2018
ICICI Prudential Ultra Short Term Plan - Growth	-	5.01
	(-)	(281,037.82)
ICICI Prudential Liquid Fund Growth Plan	188.30	45.43
	(664,658.19)	(136,294.42)
ICICI Prudential Flexible Income plan	-	42.52
	(-)	(127,575.87)
Aditya Birla Sunlife Cash Manager - Growth	15.79	12.55
	(57,332.62)	(30,048.42)
HDFC Mutual Fund Cash Management Growth Option	276.72	178.85
	(7,072,686.15)	(4,888,254.59)
HDFC Mutual Fund-Ultra Short Term fund- Regular Growth	196.45	-
	(18,786,083.80)	(-)
Reliance Liquid Fund- Cash Plan-Growth Option	-	46.42
	(-)	(17,225.86)
Reliance Liquid Fund- Cash Plan- Direct Growth Option	-	11.89
	(-)	(4,234.76)

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

L & T Ultra Short Term fund - Growth	-	28.01
	(-)	(987,841.97)
L&T Cash fund - Growth	205.33	-
	(144,411.54)	(-)
UTI Floating rate Fund - Direct Growth	-	31.96
	(-)	(11,313.86)
Union Corporate Bond Fund Regular Plan-Growth	10.69	-
	(1,000,000.00)	(-)
Axis Liquid Fund - Direct Growth	-	20.43
	(-)	(10,643.25)
Axis Ultra Short Term Fund Growth	26.13	-
	(2,499,024.31)	(-)
IDFC Cash Fund-Growth	47.52	-
	(21,051.00)	(-)
SBI Liquid Fund - Regular Plan - Growth	11.62	-
	(3,985.11)	(-)
Total	978.55	423.07

The figures mentioned in bracket represent absolute number of investment units.

9. Trade receivables

(INR in Million)

	March 31, 2019	March 31, 2018
Trade Receivables considered good - Secured	-	-
Trade Receivables considered good - Unsecured (refer note 40)	320.50	7.69
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	0.13	0.13
Total	320.63	7.82
Less: Impairment allowance	(0.13)	(0.13)
Total	320.50	7.69

Notes:

- (i) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- (ii) No trade or other receivable are due from directors or other officers of the group either severally or jointly with any other person. None of the trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (iii) For terms and conditions relating to related party receivable, refer note 40.

10. Cash and bank balances

(INR in Million)

	March 31, 2019	March 31, 2018
Cash and cash equivalents		
Cash on hand (refer note (iii) below)	69.78	44.22
Balance with banks		
In current accounts (refer note (i) and (ii) below)	519.73	514.16
Deposits with original maturity for Less than 3 month	135.70	-
Total (A)	725.21	558.38
Other balances with banks		
Deposits with original maturity for more than 3 months but less than 12 months	-	21.08
Total (B)	-	21.08
Total (C=A+B)	725.21	579.46

Notes:

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

- (i) Balances with banks includes balances of INR 259.65 million (March 31, 2018: INR 377.10 million) lying in the Escrow Accounts which are offered as security against borrowings as per terms of borrowings with the lenders.
- (ii) Includes INR 0.03 million (March 31, 2018: INR 0.03 million) in accounts earmarked for unpaid share application refund money.
- (iii) Cash on hand includes amount collected towards toll fee / user fee, pending deposit with the bank.
- (iv) During previous year, Fixed deposit was lying with the bank in the name of IL&FS Trust Company Limited (ITCL) designated account as per terms of debenture trust cum mortgage deed towards debt servicing reserve of Redeemable Non Convertible debentures (NCD) of INR 1,124.32 million. During current year, IL&FS debentures have been repaid in full.

11. Loans

(INR in Million)

	March 31, 2019	March 31, 2018
Inter corporate loans - Unsecured, considered good	170.70	170.70
Total	170.70	170.70

Since all the above loans given by the Company are unsecured and considered good, the bifurcation of loans in other categories as required to be disclosed by Schedule III of the Companies Act 2013 viz: a) secured b) loans which have significant increase in credit risk and c) credit impaired is not applicable and accordingly, not disclosed.

12. Receivable under Service concession arrangement (Unsecured, considered good)

(INR in Million)

	March 31, 2019	March 31, 2018
Non current		
Receivable under Service concession arrangements	21,672.25	1,800.43
Total (A)	21,672.25	1,800.43
Current		
Receivable under Service concession arrangements	4,176.75	10,089.26
Total (B)	4,176.75	10,089.26
Total (C=A+B)	25,849.00	11,889.69

Notes:

- (i) Under Service Concession Arrangement (SCA), where a Special Purpose Vehicle (SPV) has acquired contractual rights to receive specified determinable amounts (Annuity) for use of an asset, such amounts are recognised as "Financial Assets" and are disclosed as "Receivable against Service Concession Arrangements".
- (ii) Refer note 49 for additional disclosure pursuant to Appendix - E to Ind AS 115 - Service Concession Arrangements ('SCA').

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

13. Other financial assets (Unsecured, considered good)

(INR in Million)

	March 31, 2019	March 31, 2018
Non-current		
Deposits with banks having more than 12 months maturity	123.78	28.43
Security deposits	51.27	2.23
Derivative not designated as hedges	-	137.23
Total (A)	175.05	167.89
Current		
Security deposits	7.83	5.35
Grant receivable from concessionaire authorities (refer note (i) below)	64.24	64.24
Receivable from concessionaire authorities toward claims/utility shifting/change in scope (refer note (ii), (iii) & (iv) below)	1,359.59	1,138.68
Receivable from concessionaire authorities towards toll suspension. (refer note (v) below)	294.10	332.03
Interest receivable from fixed deposit with bank and others (refer note 40)	308.40	103.68
Other Receivables	17.54	8.61
Total (B)	2,051.69	1,652.58
Total (C=A+B)	2,226.74	1,820.47

Notes:

- (i) As per the Concession agreement between Ahmedabad Ring Road Infrastructure Limited (ARRIL), one of the subsidiary, and Ahmedabad Urban Development Authority (AUDA), ARRIL is entitled to receive grant of INR 360 million for meeting the part project cost subject to the conditions laid down in the Concession Agreement. Upto March 31, 2019, ARRIL has received grant of INR 295.76 million and INR 64.24 million is receivable as at March 31, 2019 from AUDA. The conditions of the Concession Agreement related to grant have been met as at reporting date.
- (ii) Government of Maharashtra, has vide Notification dated 26th May 2015 exempted Light Motor Vehicles, buses of Maharashtra State Road Transport Corporation (MSRTC) from payment of toll, w.e.f 01-06-2015. However the government has not prepared any policy or modalities by which the Aurangabad Jalna Tollway Limited ('AJTL') will be reimbursed for the losses. Pending the announcement by the government of its policy/modalities for reimbursement of losses, the said Company has recognised revenue of toll collection of INR 535.65 Million for the period 01-06-2015 to 31-03-2019, which includes INR 160.37 Million for the year ended March 31, 2019, in respect of exempted vehicles based on the projections submitted to Maharashtra government under the concession agreement. The Government of Maharashtra has paid amount of INR 350.29 Million till March 31, 2019 and the management expects to receive the balance outstanding amount of INR 185.36 million.
- (iii) During the year, pursuant to the favourable arbitration award, RPTPL, a wholly owned subsidiary has demanded 75% of claim amount from NHAI (authority) as per Niti Aayog circular no. n-14070/14/2016-PPPAU. Consequent to further appeal against the aforesaid arbitration award by the authority, the Honourable High Court of Delhi (the court) had ordered the authority, vide order date July 11, 2018 to deposit 50% of claim amount with the court and make payment of balance 25% against the bank guarantee. This has been challenged by RPTPL for payment of entire 75% of claim amount which has been admitted vide order date October 11, 2018. RPTPL is in process of claiming balance 25% amount from authority. Pursuant to the above, the management is confident to realise the entire claim amount and does not expect any adjustment in these regards. The management has accounted the aforesaid claim receivable in the books amounting to INR 756.98 million and interest income amounting to INR 128.40 million. The consequent claim payable to EPC contractors of INR 519.15 million and interest expense amounting to INR 88.06 million respectively has been disclosed under note 21.
- (iv) In case of Ahmedabad Ring road Infrastructure Limited (ARRIL), Ahmedabad Urban Development Authority (AUDA), has vide resolution passed by its board of directors in the meeting held on October 09, 2017, exempted Light Motor Vehicles (four wheelers) from payment of toll, w.e.f October 10, 2017 for which AUDA has formed committee, of which ARRIL is also member, to decide compensation amount and modalities of making compensation payments. Pending decision on the committee, the said subsidiary has recognised revenue of toll collection of INR 66.17 Million for the year ended March 31, 2019 (October 10, 2017 to March 31, 2018 : INR 30.05 Millions) based on the actual average daily traffic of Light Motor Vehicles (four wheelers) during period April 2017 to September 2017.
- (v) Pursuant to demonetisation, concessioning authorities had announced suspension of toll collection for all roads from November 09, 2016 until December 2, 2016. Based on subsequent notification and provisions of concession agreement with the relevant authorities, the group has claimed and recognised revenue of INR 597.88 million during the year ended March 31, 2017, out of which INR 294.10 million is yet to be realized as at March 31, 2019.

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

14. Other assets (Unsecured, considered good)

(INR in Million)

	March 31, 2019	March 31, 2018
Non current		
Deposits (refer note 41)	4.33	4.32
Capital Advances	3.08	-
Tax paid under protest (refer note 41)	1.00	1.00
Prepaid expense	15.27	24.56
Deferred GST (refer note below)	95.21	93.63
Income tax receivable (net of provision)	225.41	200.25
Tax credit receivables	22.27	11.04
Total (A)	366.57	334.80
Current		
Contract assets (refer note 39 and 40)	99.11	47.39
Advance to suppliers	3,022.84	3,481.13
Prepaid expense	52.80	45.65
Tax credit receivables	2,848.70	1,042.11
Other assets	6.80	5.29
Total (B)	6,030.26	4,621.57
Total (C=A+B)	6,396.83	4,956.37

Note: The credit of Goods and Service tax (GST) on works contract for construction of building and civil infrastructure have been accounted as Deferred GST credit account. The utilization of deferred GST credit is subject to assessment made by the statutory authority.

15. Current tax assets (net)

(INR in Million)

	March 31, 2019	March 31, 2018
Income tax receivable (net of provision)	36.08	1.18
Total	36.08	1.18

16. Equity share capital

	March 31, 2019		March 31, 2018	
	No. of shares	(INR in Million)	No. of shares	(INR in Million)
Authorised share capital				
Equity shares of INR 10 each	40,30,00,000	4,030.00	40,30,00,000	4,030.00
	40,30,00,000	4,030.00	40,30,00,000	4,030.00
Issued, subscribed and fully paid				
Equity shares of INR 10 each	35,22,25,216	3,522.25	35,22,25,216	3,522.25
	35,22,25,216	3,522.25	35,22,25,216	3,522.25

(a) Reconciliation of the number of equity

Equity shares	March 31, 2019		March 31, 2018	
	No. of shares	(INR In Million)	No. of shares	(INR In Million)
At the beginning of the year	35,22,25,216	3,522.25	35,22,25,216	3,522.25
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	35,22,25,216	3,522.25	35,22,25,216	3,522.25

(b) Terms/rights attached to equity shares:

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

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

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

(c) Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates:

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

	March 31, 2019		March 31, 2018	
	No. of shares	(INR In Million)	No. of shares	(INR In Million)
Sadbhav Engineering Limited, holding company 243,213,577 (31 March 2018: 242,223,427) equity shares	2432,13,577	2,432.14	24,22,23,427	2,422.23

(d) Details of shareholders holding more than 5% issued, subscribed and paid up equity share capital in the company:

Name of shareholders	March 31, 2019		March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding
Equity shares of INR 10 each fully paid				
Sadbhav Engineering Limited	2432,13,577	69.05%	2422,23,427	68.77%
Norwest Venture Partners VII-A Mauritius	291,21,860	8.27%	291,21,860	8.27%
Nomura India Investment Fund Mother Fund	262,55,995	7.45%	262,55,995	7.45%

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

(e) Aggregate number of equity shares allotted as fully paid-up for consideration other than cash during 5 years immediately preceding the date of balance sheet:

The Company had issued 282,693,710 equity shares of INR 10 each as fully paid bonus shares in the ratio of 10:1 by capitalisation INR 2,826.94 Million from Securities premium in the financial year 2014-15.

17. Other Equity

(INR in Million)

	March 31, 2019	March 31, 2018
17.1 Equity component of compound financial Instruments (refer note (i) below)		
Balance at the beginning of the year	533.22	532.22
Add: Addition during the year (refer note (ii) below)	199.26	-
Balance at the end of the year	731.48	532.22
(i) "Interest free loan given by Holding company (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby Holding company has given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014. Accordingly, this Interest free loan has been bifurcated into liability and equity components based on the terms of the contract and equity components has been accounted under Other Equity and liability component under Long term borrowings (refer note 18). Interest on liability component is recognised using the effective interest method."		
(ii) The addition is due to transfer of amount from minority interest due to acquiring the minority stake and pursuant to assignment of subordinate debt agreement entered between D Thakkar Construction Private Limited and Sadbhav Engineering Limited.		
17.2 Capital reserve		
Balance at the beginning of the year	75.80	75.80
Balance at the end of the year	75.80	75.80
The Group has created capital reserve out of acquisition of subsidiaries.		
17.3 Securities premium		
Balance at the beginning of the year	9,039.27	9,039.27
Balance at the end of the year	9,039.27	9,039.27

The amount received in excess of face value of the equity shares is recognised in Securities Premium. This reserve is available for utilization in accordance with the provisions of the Companies Act, 2013.

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

(INR in Million)

	March 31, 2019	March 31, 2018
17.4 Debenture Redemption Reserve (DRR)		
Balance at the beginning of the year	795.74	333.55
Add : Transfer from surplus of statement of profit and loss	358.93	462.19
Less : Transfer to General Reserves	(478.45)	-
Balance at the end of the year	676.22	795.74
<p>The group has issued redeemable non-convertible debentures (refer note 18). The Companies (Share capital and Debentures) Rules, 2014 (as amended), require the group to create Debenture Redemption Reserve ('DRR') out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. DRR is required to be created over the life of debentures and upon redemption of debentures, DRR is required to be transferred to general reserve. Accordingly, the group has transferred INR 358.93 million (March 31, 2018 INR 462.19 million) to DRR out of profit for the year and INR 478.45 million from DRR to general reserve upon redemption of debentures during the year. Further, the Company has created debenture redemption reserve to the extent surplus available for the purpose of creation of debenture redemption reserve during the year.</p>		
17.5 General Reserve		
Balance at the beginning of the year	-	-
Add: Transfer from Debenture Redemption Reserve	478.45	-
Balance at the end of the year	(478.45)	-
<p>General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer between components of equity and is not an item of other comprehensive income.</p>		
17.6 Retained earning		
Balance at the beginning of the year	(16,623.01)	(12,786.63)
Adjustments during the year		-
Add: (Loss) for the year	(2,452.73)	(3,290.37)
Add/(Less): Other comprehensive income for the year (net of tax)	(1.44)	1.37
Add: Interim dividend for the year paid (including dividend distribution tax)	(126.78)	-
Add: Final dividend of 2017-18 paid (including dividend distribution tax)	(84.75)	(85.19)
Add: Transfer from retained earnings to debenture redemption reserve	(358.93)	(462.19)
Add: Share issue expense	(3.66)	-
Add: Transfer of amount from non-controlling interest (refer note (ii) below)	(358.11)	-
Balance at the end of the year	(20,009.41)	(16,623.01)
Total (17.1+17.2+17.3+17.4+17.5+17.6)	(9,008.19)	(6,179.98)

Notes:

- (i) Retained earnings are the profits that the Group has earned till date, less any transfers to dividends or other distributions paid to shareholders.
- (ii) Pursant to Buyback Guarantee agreement dated January 30, 2017 with SREI Equipments Finance Limited, the group has acquired 6% minority interest of the subsidiary company i.e. Maharashtra Board Check Post Network Limited. Consequently, the loss under minority interest of INR 130.51 million as well as INR 227.60 amount paid toward purchase of minority interest has been recorded in the retained earning.

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

18. Non-current borrowings

(INR in Million)

	March 31, 2019	March 31, 2018
Secured*		
Redeemable, Non Convertible Debentures		
1,200 (31 March 2018: 2,000) of INR 10,00,000 each	1,200.00	2,000.00
1,120 (31 March 2018: 1,600) of INR 10,00,000 each	1,120.00	1,600.00
Nil (31 March 2018: 1,124,324) of INR 1,000 each	-	1,124.32
6,600 (31 March 2018: 3,000) of INR 10,00,000 each	6,600.00	3,000.00
1,30,880 (31 March 2018: 1,17,380) of INR 1,00,000 each	12,817.36	11,603.58
4,61,570 (31 March 2018: 4,77,500) of INR 10,000 each	4,611.93	4,770.56
Term loan from banks		
Indian rupee loan	62,298.76	53,161.96
Foreign currency loan	-	2,430.68
Loan from financial institutions	3048.85	1,457.72
	91,696.90	81,148.82
Unsecured		
Liability component of compound financial instrument (refer note 40)	389.63	351.02
Total (A)	92,086.53	81,499.83
Less: Current maturities of non-current borrowing* (refer note 21)		
Redeemable, non convertible debentures	2,028.03	1,584.90
Term loan from banks	1,860.53	1,507.41
Loan from financial institution	41.87	27.84
Total (B)	3,930.43	3,120.15
Total (C=A-B)	88,156.10	78,379.68

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

The details in respect of non-current borrowings are as under:

(i) **Redeemable Non-Convertible Debentures (NCDs) issued by the holding company:**

(a) **1,200 (March 31, 2018: 2,000) Redeemable Non Convertible debentures (NCD) are secured by:**

1. (i) first ranking charge created on 10,71,198 equity shares of the Company in the Rohtak Panipat Tollway Private Limited; (ii) the corporate guarantee by Sadbhav Engineering Limited (Holding Company); (iii) first and exclusive mortgage over the mortgaged property, in accordance with the respective security documents.

2. Terms of repayments

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series B	500	11.75%	Bullet Repayment	13-Apr-20
Series C	700	5%	Bullet Repayment	13-Apr-20

The debenture holders at the end of year 3 and year 4 shall have the right to seek prepayment / early redemption of Series B and Series C debentures in whole or part or in such proportion as it may deem fit. Thereupon, the company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 11.75% on value of the debentures for which the Put option is exercised.

(b) **1,120 (March 31, 2018: 1,600) Redeemable Non Convertible debentures (NCD) are secured by:**

1. (i) an unconditional, irrevocable and continuing corporate guarantee from Sadbhav Engineering Limited- holding company (SEL), covering the entire redemption amount. (ii) Pledge of 10,287,215 shares of Sadbhav Engineering Limited (SEL) by Sadbhav Finstock Pvt. Ltd. (iii) Pledge of 56% shareholding of Ahmedabad Ring Road Infrastructure Limited (ARRIL) representing 5,857,540 equity shares have been pledged. (iv) Working Capital Demand Loan (WC DL) facility to the extent of next repayment instalment to be lien marked for the NCD to be obtained by the Company/ SEL and to be utilised only towards repayment of the NCD at least 20 days before each redemption payment date for amount which are due in next 20 days.

2. Terms of repayments

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series II	480	9%	Bullet Repayment	18-Apr-19
Series III	640	9%	Bullet Repayment	18-Nov-19

The debenture holders at the end of year 3 and year 4 shall have the right to seek prepayment / early redemption of Series II and Series III debentures in whole or part or in such proportion as it may deem fit. Thereupon, the company shall be obliged to prepay debentures in such manner that debenture holders may achieve the IRR at the rate of 12.14% on the value of debentures for which the Put option is exercised.

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

(c) Nil (March 31, 2018: 1,124,324) Redeemable Non Convertible debentures (NCD) are secured by:

1. (i) pledge of 19.26% shareholding of the company representing 46,846,725 equity share held by Sadbhav Engineering Limited (SEL) the holding Company (ii) pledge of 30% shareholding of Maharashtra Border Check Post Network Limited representing 15,000 equity shares held by the Company and SEL (iii) unconditional and irrevocable corporate guarantee from SEL and personal guarantee of the promoters i.e. Vishnu Bhai M. Patel. (iv) second charge by mortgage over all immovable property and hypothecation of all movable, tangible and intangible assets, receivable, cash and liquid investment of the Company (v) all bank account & assignment of all contract, documents, insurance, clearances and interest of the Company. The same has been released from pledge during the year upon full repayment of Non convertible debentures.

(d) 3,000 Redeemable , Non Convertible debentures (NCD) are secured by:

1. (i) Pledge of 15% shareholding of Shreenathji-Udaipur Tollway Private Limited representing 5,061,486 equity shares held by the Company. (ii) Pledge of 16% shareholding of Maharashtra Border Check Post Network Limited representing 8,000 equity shares held by the Company (iii) Pledge of 18.99% shareholding of Hyderabad Yadgiri Tollway Private Limited representing 616,663 equity shares held by the Company (iv) Pledge of 49% shareholding of Aurangabad-Jalna Tollway Limited representing 965,816 equity shares held by the Company (v) Pledge of 14% shareholding of Ahmedabad Ring Road Infrastructure Limited representing 1,464,400 equity shares held by the Company (v) A first charge over the Designated A/c-Debt Payments and all funds and monies lying therein present & future.

2. Terms of repayments are as under

Series of NCDs	No. of NCDs issued	Coupon	Terms of repayment
Series I	500	2.60%	Bullet Repayment
Series II	500	2.60%	Bullet Repayment
Series III	500	2.60%	Bullet Repayment
Series IV	500	2.60%	Bullet Repayment
Series A	250	0%	Bullet Repayment
Series B	250	0%	Bullet Repayment
Series C	250	0%	Bullet Repayment
Series D	250	0%	Bullet Repayment

The debenture holders at the end of year 3 shall have the right to seek prepayment/early redemption of Series III and Series IV debentures in full. Thereupon, the company shall be obliged to pay all accrued coupon thereon and redemption premium set forth at Part B of Schedule IV of the Debenture trust deed.

(e) 3,600 Redeemable, Non Convertible debentures (NCD) are secured by:

1. (i) First ranking pledge of 4,60,82,270 (67%) equity shares of Dhule Palesner Tollway Limited and 84,96,450 (49%) equity shares of Bhilwara-Rajsamand Tollway Private Limited so as to provide minimum security over of 1.5 times on the aggregate value of a) face value of outstanding debentures and b) accrued redemption premium and default interest (if any), (ii) the Corporate Guarantee by Sadbhav Engineering Limited ('SEL') (Holding Company); (iii) first ranking charge created by way of hypothecation over the designated account (iv) first and second ranking exclusive mortgage over the mortgaged property, in accordance with the respective Security Documents.

2. Terms of repayments

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series I	170	0%	Bullet Repayment	23-Apr-21
Series II	190	0%	Bullet Repayment	06-Jun-21

(ii) Redeemable Non-Convertible Debentures (NCDs) issued by the subsidiaries:

The Facility, and the payment and other obligations of the Borrower under the finance documents shall be secured by a first ranking:

- Charge on all the borrower's immovable and movable property (both present and future) except Project Assets.
- An assignment by way of security over all the borrower's right, title and interest in and to each transaction document.
- A share pledge, at all times, over not more than 99% of the sponsors shareholding in the borrower.
- The Security created under the Debenture Trust Deed shall rank pari passu inter se, amongst The trustees.

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

(a) **NSEL**

17,300(31 March 2018: 18,100) Redeemable, Non Convertible Debentures (NCD):

Terms of repayment are as under:

Series of NCDs	No. of NCDs issued	Coupon Rate p.a %	Terms of Repayment	Earliest Date of Redemption
Series A	10,000	8.72%	Partial Repayment	1-Aug-19
Series B	9,500	8.91%	Partial Repayment	1-Aug-19

At the time of redemption of any Debentures on any Redemption Date, the company shall pay the relevant debenture holders the unpaid interest on such debentures, accrued upto such redemption date.

The redemption of debenture for Series A (8.72%) shall be made in 18 semi annually installments while for Series B (8.91%) shall be made in 15 semi annually installments on the first day of each half year i.e. 1st February and 1st August of the year, commencing from 1st August 2016.

Interest on such debentures shall be paid along with the redemption of debentures on the same day i.e. 1st February and 1st August of each year.

(b) **DPTL**

4,61,570 (31 March 2018: 4,77,500) Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

"Non convertible debentures are repayable in 40 consecutive quarterly installment commencing from 5th April 2016 to 5th December 2025 on the repayment dates and in percentage as mentioned in Schedule VI of Debenture Trust Deed executed on 10th Mar 2016. The NCD carry floating interest rate of at 9.40 % per annum as on March 31, 2019, which is reset after every 3 years. "

(c) **BHTPL**

39,483 (31 March 2018: 24,983) Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

"The redemption of debenture shall be made in 148 monthly installments on the last day of each month, commencing from 31 May, 2016. The T1 NCD Includes 9,993 NCDs of India Infradebt Limited & 14,990 NCDs Of L&T Infra Debt Fund Limited , having face value of INR 1,00,000 /- each carry interest of 9.4% as on March 31, 2019. T2- The redemption of debenture is to be made in 124 installments on the last day of each month , which has commenced from 31 May ,2018 .The T2 Includes 14,500 NCDs of india Infradebt Limited Having face value of INR 1,00,000/- each carry interest of 9.10 % as on March 31, 2019"

(d) **HYTPL**

19,597 (31 March 2018: 19,797) Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

"(i) The redemption of debenture [Trench I] shall be made in 59 quarterly installments on the last day of each quarter, commencing from 15 September, 2016 and last date of Instalment is March 15, 2031. The NCD carry interest at 5 years benchmark rate plus 1000 basis point as spread i.e. 9.50 % per annum as on March 31, 2019. "

(ii) The redemption of debenture [Trench II] shall be made in 55 quarterly instalments on the last day of each quarter, commencing from 15 September, 2017 and last date of Instalment is March 15, 2031.

The NCD carry interest at 5 years benchmark rate plus 1000 basis point as spread i.e. 8.75% per annum as on March 31, 2019.

(e) **SUTPL**

54,500 (31 March 2018: 54,500) Redeemable, Non Convertible Debentures (NCD):

Terms of Repayment

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

(iii) **Rupee Term Loans and Foreign Currency Loans from banks and other parties availed by subsidiaries are secured by:**

- 1 a first mortgage and charge on all the respective subsidiary's immovable properties, both present and future, save and except the Project Assets;
- 2 a first charge on all the respective subsidiary's tangible moveable assets, including plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, both present and future, save and except the Project Assets;
- 3 first charge over all accounts of the company including the escrow account and the sub-accounts (or any account in substitution thereof) that may be opened in accordance with Common Rupee Loan Agreement and the Supplementary Escrow Agreement, or any other Project Documents including but not limited to Debt service reserve ('DSR') and Major maintenance reserve ('MMR') and all funds from time to time deposited therein, including those arising out of realisation of receivable and all permitted investments or other securities representing all amounts credited thereto.

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

- 4 a first charge on all intangibles assets of the respective subsidiary entity including but not limited to goodwill, rights, undertakings and uncalled capital present and future excluding the Project Assets.
- 5 a first charge on assignment by way of security in:
 - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary entity in the Project documents;
 - charge/ assignment on all the intangible assets of the respective subsidiary (other than project assets) including but not limited to goodwill, rights, undertakings, all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents;
 - all the right, title, interest, benefits, claims and demands whatsoever of the respective subsidiary under all Insurance Contracts.
- 6 pledge of equity shares held by the Company and promoters holding in the respective subsidiary as stipulated in the Loan agreements.
- 7 the aforesaid mortgages, charges, assignments and guarantees and the pledge of equity shares as stipulated in paragraph 6 above shall in all respects rank pari-passu inter-se amongst the lenders. In accordance with the concession agreement, without any preference or priority to one over the other or others.

Terms of Repayment of borrowings availed by subsidiaries:

(a) ARRIL

Term loan include loans amounting to INR 2,006.34 million as on March 31, 2019 (March 31, 2018: INR 2,566.37 million) taken from a consortium consisting of bank and financial institutions.

First Ranking Rupee Loan:

The First Ranking Rupee Loan is repayable to each lender in 50 structured quarterly instalments commencing from August 31, 2009. As per repayment schedule of the loan agreement, the principal amount outstanding under the said agreement shall be repaid by November 30, 2021.

As at March 31, 2019, the loans carries average interest rate of 8.60 % to 8.90 % per annum.

Second Ranking Rupee Loan:

The Second Ranking Rupee Loan is repayable to the lender in 52 structured quarterly instalments commencing from August 31, 2011. As per repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by May 31, 2024.

As at March 31, 2019, the loan carries average interest rate of 11.60 % per annum.

(b) AJTL

Term loan include loans amounting to INR 2,169.56 million as on March 31, 2019 (March 31, 2018: INR 2,191.56 million) taken from a consortium consisting of bank and finance institutions.

Indian Rupee Term Loans from Banks & Other Party :

The principal amounts of the Loan to each of the Lenders are repayable in 53 equal quarterly installments commencing from September 30, 2016 . As per the repayment schedule of the loan agreement, all the principal amount outstanding under the said agreement shall be repaid by March 31, 2030. Similar, the company also has the option to prepay the loans.

As at March 31, 2019, term loans carry interest rate of 9.35 % to 10.25 % per annum.

(c) BHTPL

Rupee term loan include loans amounting to INR 4,045.02 million as on March 31, 2019 (March 31, 2018: INR 5,544.13 million) taken from a consortium consisting of bank and finance companies.

Indian rupee term loans from banks:

T1 facility:

The principal amount of the loan to each of the lenders is repayable in unequal 161 monthly installments on the last day of each month , commencing from 31 May, 2016. Further, the company has taken overdraft which is repayable in unequal 149 monthly installments on the last day of each month, commencing from 31st May, 2016.

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

T2 facility:

The principal amounts of the loan to lenders is repayable in unequal 150 monthly installments on the last day of each month, commencing from 31 October, 2017. The loan carries interest of 9.00% to 9.25% as on March 31, 2019.

(d) HYTPL

Term loan include loans amounting to INR 1,734.03 million as on March 31, 2019 (March 31, 2018: INR 1,750.72 million) taken from banks.

Indian rupee term loans from banks:

"The Principal amounts of the loan to each of the lenders shall be repayable in 180 structured monthly instalments on the last day of each month, commencing from the April 15, 2017 and last date of instalment is March 15, 2031. Rupee term loans carry interest at bank base rate plus 700 basis point as spread i.e. 9.60% per annum as on March 31, 2019."

(e) MBCPNL

Term loan include loans amounting to INR 11,302.30 million as on March 31, 2019 (March 31, 2018: INR 10,143.22 million) taken from a consortium consisting of banks.

Indian rupee term loans from banks:

The Principal amounts of the loan to each of the lenders shall be repayable in 49 structured quarterly instalments on the last day of each quarter, commencing from March 31, 2019. Term loans carry interest of 9.50 % per annum.

(f) RPTPL

Term loan include loans amounting to INR 9,282.83 million as on March 31, 2019 (March 31, 2018: INR 9,942.64 million) taken from a consortium consisting of a banks and finance companies.

Indian rupee term loans from banks & other party:

"The Principal Amounts of the Loan to each of the Lenders shall be repayable in 43 structured quarterly installments on the last day of each quarter, commencing from the expiry of monetarism period (22 quarters from initial drawdown date i.e. March 30th, 2011). The last date of installment is March 31, 2027. Term loans carry interest at bank base rate plus 200 basis point as spread i.e. 11.60% to 12.10 % per annum as on March 31, 2019."

Foreign currency loan from bank:

During the year the group has entered into an agreement dated December 20, 2018 with ICICI bank limited for refinancing of foreign currency loan. Accordingly the refinancing for outstanding USD 37.21 million foreign currency loan was completed on December 24, 2018.

(g) SUTPL

Term loan include loans amounting to INR 2,816.17 million as on March 31, 2019 (March 31, 2018: INR 2,828.77 million) taken from consortium of a banks.

Indian rupee term loans from banks:

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

As at March 31, 2019, term loans carries average interest rate of 9.40% to 10.15 % per annum.

(h) BRTPL

Term loan include loans amounting to INR 2,718.51 million as on March 31, 2019 (March 31, 2018: INR 2,724.87 million) taken from consortium of banks.

Indian rupee term loans from banks:

The Principal amount of the loan is repayable to the lenders in 73 structured quarterly installments, commenced from March 31, 2018.

As at March 31, 2019, term loans carries average interest rate of 10.88% per annum.

(i) RHTPL

Term loan include loans amounting to INR 9,366.68 million as on March 31, 2019 (March 31, 2018: INR 9,410.33 million) taken from a consortium consisting of banks.

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

Indian rupee term loans from banks:

The Principal amounts of the loan is repayable to the lenders in 174 structured monthly installments, commencing from the expiry of thirteenth (13th) calendar month starting from the calendar month in which the Scheduled Commercial Operations Date (SCOD) occurs.i.e. July 31, 2017

As at March 31, 2019, term loans carry interest rate of 11.60 % per annum except term loan from Canara Bank which carries interest rate of 12.60% per annum and Bank of India which carries interest rate of 13.10% per annum.

(j) DPTL

Term loan include loans amounting to INR 5,527.48 million as on March 31, 2019 (March 31, 2018: INR 5,757.88 million) taken from consortium of banks.

Indian rupee term loans from banks:

"The Principal amount of the loan is repayable in 43 consecutive quarterly installment commencing from 5th Jan 2016 to 5th July 2026 on the repayment dates and in percentage as mentioned in amortization schedule as set forth in schedule XIII of the Common Loan Agreement executed on 28th Sep 2015.Term loans carry interest at bank base rate plus 700 basis point as spread i.e. 9.55% to 9.90% per annum as on March 31, 2019."

(k) SBHPL

Term loan include loans amounting to INR 2,670.08 million as on March 31, 2019 (March 31, 2018: INR 1,068.97 million) taken from consortium of banks.

"The Principal amounts of the loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from March 31, 2020 and last date of instalment is March 31, 2034. The loans carry average interest rate of 9.25 % to 9.40 % per annum as on March 31, 2019"

(l) SUHPL

Term loan include loans amounting to INR 1,547.01 million as on March 31, 2019 (March 31, 2018: INR 696.15 million) taken from consortium of banks.

"The principal amounts of the Loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from March 31, 2020 and last date of instalment is March 31, 2034. The loans carry average interest rate of 9.25 % to 9.40 % per annum as on March 31, 2019"

(m) SRHPL

Term loan include loans amounting to INR 1,551.05 million as on March 31, 2019 (March 31, 2018: INR 1,449.07 million) taken from consortium of banks.

The principal amounts of the loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from the April 30, 2019 and last date of instalment is October 30, 2032.

Term loans carry interest at bank base rate plus spread i.e. 9.20 % per annum as on March 31, 2019.

(n) SNHPL

Term loan include loans amounting to INR 718.58 million as on March 31, 2019 (March 31, 2018: INR 129.59 million) taken from consortium of banks.

The principal amounts of the loan to each of the lenders shall be repayable in 28 structured Bi-annually instalments, commencing from the April 30, 2019 and last date of instalment is September 30, 2032.

Term loans carry interest at bank base rate plus spread i.e. 9.87 % per annum as on March 31, 2019.

(o) SBGHPL

Term loan include loans amounting to INR 3,403.88 million as on March 31, 2019 (March 31, 2018: INR 173.06 million) taken from consortium of banks.

The Principal amounts of the loan is repayable to the lenders in 28 half yearly structured installments, commencing from the First Repayment date (January 31, 2020) on the last day of each Half year in the amounts equivalent to the percentage of the total amount of loan, which is stated against the corresponding half year expiry in the Amortisation schedule. The company has the option to prepay the loan after the payment of prepayment premium.

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

Term loans carry interest at average interest rate i.e. 9.25 % to 9.90% per annum as on March 31, 2019.

(p) SUDHPL

Term loan include loans amounting to INR 2,459.51 million as on March 31, 2019 (March 31, 2018: INR 673.00 million) taken from consortium of banks.

The Principal Amounts of the Loan to each of the Lenders are repayable in 28 equal half yearly installments commencing from September 30, 2020.

Term loans carry interest at bank base rate plus 110 basis point as spread i.e. 9.25 % per annum as on March 31, 2019.

(q) SVHPL

Term loan include loans amounting to INR 1,554.96 million as on March 31, 2019 (March 31, 2018: Nil) taken from consortium of banks.

The Principal Amounts of the Loan to each of the Lenders shall be repayable in 27 structured Bi-Annual instalments, commencing from December 31, 2020 and last date of Instalment is December 31, 2033.

The loans carry average interest rate of 9.25 % to 9.40 % per cent per annum as on March 31, 2019.

(r) SHAPL

Term loan include loans amounting to INR 473.63 million as on March 31, 2019 (March 31, 2018: Nil). All principal amounts comprising the Facility shall be paid as a bullet repayment at the end of the Term of the Facility.

The effective interest rate of the loan is 10.88% to 11.63% per annum compounded monthly basis as on March 31, 2019

(iv) Liability component of compound financial instruments:

Interest free loan given by Holding company (Sadbhav Engineering Limited) pursuant to the conversion of Compulsory Convertible Cumulative Preference Shares (CCCPS) into equity shares, whereby Holding company has given a commitment to keep the loan balance of INR 779.56 Million in the Company for a period of 11 years from the date of conversion of CCCPS i.e. November 27, 2014. Accordingly, this Interest free loan has been bifurcated into liability and equity components based on the terms of the contract and equity components has been accounted under Other Equity (refer note 17) and liability component under Long term borrowings. Interest on liability component is recognised using the effective interest method.

(v) Debt covenants:

Non current borrowings contain debt covenants relating to debt-equity ratio and total debt to net worth. Group has satisfied all the debts covenants prescribed in the terms of respective loan agreements as at reporting date, except in one of the subsidiary which has not been able to meet one of the covenant viz debt service coverage ratio as at the end of the year. As per communication with lender, management believes that this does not have any financial or other implication as regards these consolidated financial statement.

19. Current borrowings

(INR in Million)

	March 31, 2019	March 31, 2018
<u>Loan repayable on demand</u>		
Working capital demand loan from banks (unsecured)	100.00	100.00
Loan from holding company (unsecured) (refer note 40)	6,343.73	5,305.22
Interest free loan from others (unsecured)	-	120.50
Letter of credit facility with bank	-	168.20
Total	6,443.73	5,693.92

Notes:

- (i) Working Capital Demand Loan facilities from banks are backed by Corporate guarantee of Sadbhav Engineering Limited (SEL) i.e. the Holding company. The Working Capital Demand Loans are repayable within 90 days of borrowing and carry interest of 11% p.a.
- (ii) Loan from holding company carries interest of 11% p.a. and is repayable on demand/call notice.
- (iii) Interest free loan from others is repayable on demand.

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

20. Trade payables

(INR in Million)

	March 31, 2019	March 31, 2018
Total outstanding dues of micro and small enterprises*	-	-
"Total outstanding dues of creditors other than micro and small enterprises**"	7,158.21	3,434.35
Total	7,158.21	3,434.35

*As per intimation available with the group, there are no micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprise Development Act, 2006 to whom the Group owes dues on account of principal amount together with interest and accordingly no related additional disclosure have been made. This has been relied upon by the Auditor.

** For details and terms & conditions relating to related party payable, refer note 40.

21. Other financial liabilities

(INR in Million)

	March 31, 2019	March 31, 2018
Non current		
Premium obligation under concession agreement	11,851.08	11,737.10
Less: Current maturities of premium obligation	(301.20)	(79.18)
Total	11,549.84	11,657.92
Deferred premium obligation (refer note (i) below)	3,562.26	2,674.92
Interest accrued on premium obligation (refer note (i) below)	682.24	411.91
Interest accrued but not due on non convertible debentures	1,299.15	791.05
Other payables	-	0.62
Total (A)	17,093.49	15,536.42
Current		
Current maturities of non current borrowings (refer note 18)	3,930.43	3,120.15
Current maturities of premium obligation to NHAI (refer above)	352.71	81.57
Interest accrued but not due on borrowings	454.43	587.62
Interest accrued and due on borrowings (refer note 40)	612.45	608.13
Interest accrued and due on NHAI premium obligation / mobilization advance	328.80	114.86
Payable towards capital expenditure (refer note 40)	659.78	1,472.86
Employee emoluments payable	45.82	36.19
Payable to authorities	55.83	36.78
Payable towards option premium	-	4.88
Unclaimed dividend	0.03	-
Other payables	23.85	65.91
Total (B)	6,464.14	6,128.95
Total (C=A+B)	23,557.63	21,665.37

Note:

- (i) "In case of certain subsidiaries, premium obligation under the Concession Agreement has been deferred by NHAI vide its sanction letter. According to the terms of the sanction letter, the group shall pay entire deferred premium and interest thereon no later than one year prior to the expiry of the concession period. Amount of premium obligation which has not been deferred are payable in unequal monthly instalments, in terms of the sanction letter, during the concession period. Accordingly, the deferred obligation has been classified as non current liabilities.
- As per the Ministry of Road Transport & Highways policy of National Highway Authorities of India (NHAI), the group is liable to make payment of Interest on Deferment of Premium at Bank Rate + 2% p.a. which is charged to consolidated statement of profit & loss account for the year and obligation on the same has been recognised as liabilities. "

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

22. Other current liabilities

(INR in Million)

	March 31, 2019	March 31, 2018
Contract liabilities (refer note 39 and 40)	4,124.32	4,518.84
Statutory dues payable	663.49	379.47
Others	0.86	0.33
Total	4,788.67	4,898.64

23. Provisions

(INR in Million)

	March 31, 2019	March 31, 2018
Non current		
Provision for employee benefits - Gratuity (refer note 38)	33.12	23.79
Provision for periodical major maintenance (refer note 42)	2,136.57	1,745.39
Total (A)	2,169.69	1,769.18
Current		
Provision for employee benefits - Gratuity (refer note 38)	4.85	2.52
Provision for employee benefits - Leave encashment	6.02	5.05
Provision for periodical major maintenance (refer note 42)	2,126.24	1,464.87
Other provisions*	68.36	68.36
Total (B)	2,205.47	1,540.80
Total (C=A+B)	4,375.16	3,309.98

* Pertains to provision for works pending completion in subsidiary entities.

24. Current tax liabilities (Net)

(INR in Million)

	March 31, 2019	March 31, 2018
Income tax payable (net of advance tax and TDS)	242.69	153.56
Total	242.69	153.56

25. Revenue from operations

(INR in Million)

	March 31, 2019	March 31, 2018
Revenue from contract with customer (refer note 39)		
Revenue from toll / check post operation services (refer note 13 (ii), (iii) and (iv))	11,246.09	10,458.97
Revenue from construction services (refer note (i) below)	24,169.09	12,120.96
	35,415.18	22,579.93
Other operating revenue (refer note (ii) below)	64.14	43.89
Total	35,479.32	22,623.82

Note:

- (i) The revenue from construction services includes cost escalation claim of INR 2.82 million (31 March 2018: INR 130.75 Million) from Maharashtra Border Check Post Network Limited, a subsidiary, in line with cost escalation principal (cost escalation formula) recommended by Technical Evaluation Committee duly appointed by project steering committee of Maharashtra State Road Development Corporation ('The Project Authority'), which has also been approved by Lender's engineers of the customer.
- (ii) Other operating revenue comprises of advertisement income, advisory and project management fees.

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

26. Other income

(INR in Million)

	March 31, 2019	March 31, 2018
Interest Income on		
deposit with bank	12.10	3.03
Income tax refund	8.69	13.51
others	228.60	109.44
Arbitration claim (refer note 13 (iii))	-	128.40
Finance income on financial asset carried at amortised cost	1,306.26	273.52
Liabilities no longer Payable written back	123.60	10.96
Profit on sale of units of mutual funds	84.47	53.88
Income on change in fair valuation of financial instruments	51.58	-
Miscellaneous income	5.14	8.25
Total	1,820.44	600.98

27. Consumption of project materials

(INR in Million)

	March 31, 2019	March 31, 2018
Project Inventory at the beginning of the year	-	-
Add : Purchase of project materials during the year	22.39	150.32
	22.39	150.32
Less : Project Inventory at the end of the year	-	-
Total	22.39	150.32

28. Operating expenses

(INR in Million)

	March 31, 2019	March 31, 2018
Operation and maintenance charges to sub-contractors	890.69	751.76
Periodical major maintenance expense (refer note 42)	971.88	1,184.35
Power and fuel	195.38	175.01
Security expenses	187.50	171.64
Miscellaneous expenses	153.20	106.59
Total	2,398.64	2,389.35

29. Employee benefit expenses

(INR in Million)

	March 31, 2019	March 31, 2018
Salaries, bonus and other allowances (including managerial remuneration) (refer notes 38 & 40)	440.26	396.54
Contribution to provident and other funds (refer note 38)	37.62	39.36
Gratuity expenses (refer note 38)	11.16	9.44
Staff welfare expenses	40.13	37.94
Total	529.17	483.28

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

30. Finance cost

(INR in Million)

	March 31, 2019	March 31, 2018
Interest on:		
Long term loans from banks and others	8,872.03	8367.73
Short term loans from banks and others (refer note 40)	608.27	565.93
Deferment of premium obligation	307.87	213.38
EPC contractor's claim	-	88.06
Others	279.81	144.28
Unwinding of discount on		
Provision of major maintenance	233.58	273.35
Premium obligation	1,146.60	1,128.92
Interest free loan	38.60	34.78
Other borrowing costs		
Loss on change in fair valuation of financial instruments	-	141.18
Amortization of processing fees / option premium	114.81	364.80
Bank charges and other finance costs	145.95	86.39
Total	11,747.52	11,408.81

31. Depreciation and amortisation expenses

(INR in Million)

	March 31, 2019	March 31, 2018
Depreciation on property, plant and equipment (refer note 5)	33.93	38.85
Amortisation on intangible assets (refer note 7)	2,929.18	2,566.28
Total	2,963.10	2,605.13

32. Other expenses

(INR in Million)

	March 31, 2019	March 31, 2018
Rent (refer note 40 and 44)	28.37	19.89
Insurance	48.68	46.73
Rates and taxes	14.06	12.64
Repairs and maintenance - Others	29.93	32.54
Legal and professional fees	404.18	225.08
Communication expense	5.96	4.97
Travelling expenses	11.72	8.94
Auditor's remuneration	7.21	7.18
Director's sitting fees (refer note 40)	0.75	0.69
Cash collection charges	11.76	12.10
Miscellaneous expenses	44.11	19.38
Total	606.72	390.14

33. Income Tax expense

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

(a) Profit and Loss section

(INR in Million)

	March 31, 2019	March 31, 2018
Current tax		
Current year charges	531.25	320.45
Total (A)	531.25	320.45
Deferred tax		
Current year charges	16.59	146.01
MAT credit entitlement	-	(59.43)
Adjustments of deferred tax relating to previous year	36.89	-
Total deferred tax charged in the statement of profit and loss Total (B)	53.48	86.58
MAT credit utilised against tax payments due for the year (Refer note (f) below)	21.69	-
	75.17	86.58
Adjustments of current tax relating to previous year (C)	22.27	0.48
Total income tax expense recognised in the Statement of Profit and Loss (D=A+B+C)	607.00	407.51

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

(b) The income tax expense for the period can be reconciled to the accounting profit as follows:

(INR in Million)

Particulars	March 31, 2019	March 31, 2018
Accounting loss before tax	(2,406.22)	(2,972.22)
Statutory income tax rate	34.94%	30.90%
Expected income tax expense at India's statutory rate	(840.73)	(918.42)
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses		
Tax effect of non deductible items	-	4.47
Tax in respect of earlier years	59.16	0.48
Tax on income at different rates	(27.27)	1.88
Tax losses not recognised due to absence of probable certainty of reversal (refer note (e) below)	1,415.84	1,319.10
Income tax expenses as per normal tax rate	607.00	407.51
Consequent to reconciliation items shown above, the effective tax rate	-25.23%	-13.71%

(c) **Deferred tax**

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

(INR in Million)

Particulars	Balance sheet		Statement of Profit and Loss / Equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deferred tax liability				
Impact on liability component of Compound instruments	(136.26)	(148.31)	12.05	12.05
Impact of fair valuation of financial instruments	(317.05)	(422.51)	105.48	176.56
Accelerated depreciation for tax purpose	2.30	2.47	(0.17)	0.87
Expenditure allowed on payment basis	(1,996.75)	(2,816.42)	819.68	298.69
Expenditure allowed over the period	(2,291.41)	(1,977.55)	(313.87)	(598.55)
Unused tax losses available for offsetting against future taxable income	3,989.08	4,628.84	(639.76)	83.23
Tax credit entitlement under MAT	-	58.58	(58.58)	(59.43)
Total deferred tax expenses/(income)			(75.17)	(86.58)
Net deferred tax assets/(liabilities)	(750.09)	(674.92)		

(d) **Reconciliation of Deferred tax**

(INR in Million)

	March 31, 2019	March 31, 2018
Deferred tax assets (Net)	0.08	0.12
Deferred tax liabilities (Net)	(750.17)	(675.04)
	(750.09)	(674.92)

(e) Certain subsidiary companies has carried forward business losses aggregating INR 29,072.61 million (March 31, 2018: INR 26,810.00 million) under the Income Tax Act, 1961, which can be adjusted against taxable profits for limited period of 8 years of the respective year from the date of origin.

Deferred tax assets has not been recognised in respect of these unabsorbed losses as they may not be used to offset taxable profits elsewhere in the Group, which has arisen in subsidiaries that have been loss-making for some time, and there are no reasonable certainty supported by convincing evidence of recoverability in the near future. If the Group were able to recognise all unrecognised deferred tax assets, profit would increase by INR 7,281.29 million (March 31, 2018: INR 7,447.69 million).

(f) Includes amount of INR 21.69 million adjusted due to movement in MAT credit during the year.

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

34. Disclosure of Financial instruments by category

(INR in Million)

Particulars	Note No.	March 31, 2019				March 31, 2018			
		FVTPL	FVOCI	Amortized cost	Cost	FVTPL	FVOCI	Amortized cost	Cost
Financial assets									
Investments	8	987.55	-	-	0.02	423.07	-	-	0.02
Trade receivables	9	-	-	320.50	-	-	-	7.69	-
Cash and cash equivalents	10	-	-	725.21	-	-	-	558.38	-
Other bank balances	10	-	-	-	-	-	-	21.08	-
Loans	11	-	-	170.70	-	-	-	170.70	-
Receivable under service concession arrangements	12	-	-	25,849.00	-	-	-	11,889.69	-
Derivative not designated as hedges	13	-	-	-	-	137.23	-	-	-
Other financial assets	13	-	-	2,226.74	-	-	-	1,683.24	-
Total financial assets		978.55	-	29,292.14	0.02	560.30	-	14,330.78	0.02
Financial liabilities									
Non current borrowings	18	-	-	88,156.10	-	-	-	78,379.68	-
Current borrowings	19	-	-	6,443.73	-	-	-	5,693.92	-
Trade payables	20	-	-	7,158.21	-	-	-	3,434.34	-
Other financial liabilities	21	-	-	23,557.63	-	-	-	21,665.37	-
Total financial liabilities		-	-	125,315.66	-	-	-	109,173.31	-

35. Fair value disclosures for financial assets and financial liabilities

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

(INR in Million)

Particulars	March 31, 2019		March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through profit or loss				
Investments in mutual funds	978.55	978.55	423.07	423.07
Derivative not designated as hedges	-	-	137.23	137.23
Total financial assets	978.55	978.55	560.30	560.30
Financial liability at fair value through profit or loss				
Redeemable, Non-convertible debentures (including interest accrued)	10382.87	10434.10	9018.77	9133.76
Premium obligation under Concession agreement	11,851.04	12,920.00	11,737.10	12,578.75
Total financial liabilities	20,771.04	23,354.11	19,461.42	20,288.42

- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.
- The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- The Group had entered into derivative financial instruments with Bank. Interest rate swaps, option contract are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques includes forward pricing and swap models, using present value calculations. The models incorporate various inputs included currency spot rate, risk free interest rate of respective currency, currency volatility and interest rate curves. The derivative instrument fair value is arrived using mark-to-market valuation as at March 31, 2018. The deal has been closed during FY 2018-19 upon repayment of foreign currency loan.
- The fair value of premium obligation is calculated by discounting future cash flows using rates as per RBI Bank rate + 2%.
- The carrying value of Group's interest-bearing borrowings are reasonable approximations of fair values as the borrowing carry floating interest rate.

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

36. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial assets and financial liabilities as at March 31, 2019 and March 31, 2018

(INR in Million)

Particulars	Note No.	Fair value measurement using Significant observable inputs (Level 2)	
		March 31, 2019	March 31, 2018
Assets measured at fair value			
Fair value through profit & loss			
Investment in mutual funds	8	978.55	423.07
Derivatives not designated as hedges	13	-	137.23
Liabilities measured at fair value			
Liabilities for which fair values are disclosed			
Redeemable, Non Convertible Debentures	18	10,434.10	9133.76
Premium obligation under Concession agreement	21	12,920.00	12,578.75

The fair values of the financial assets and financial liabilities included in the level 2 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

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

37. Earnings per share (EPS)

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

(INR in Million)

		Year Ended March 31, 2019	Year Ended March 31, 2018
Net (loss) after tax for the year attributable to equity shareholders:	(A)	(2,452.73)	(3290.37)
Number of equity shares at the end of the year		3522,25,216	352,225,216
Weighted average number of equity shares for basic and diluted EPS	(B)	3522,25,216	352,225,216
Nominal value of equity shares		10	10
Basic and diluted (loss) per share (in INR)	(A/B)	(6.97)	(9.34)

38. Employee benefits disclosure

A Defined contribution plans:

The following amount recognised as expenses in statement of profit and loss on account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities.

(INR in Million)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Contribution to provident funds	26.27	28.00
Contribution to employee state insurance	10.88	10.89
Contribution to benevolent funds	0.41	0.41
Maharashtra labour welfare fund	0.06	0.06
Total	37.62	39.36

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

B Defined benefit plans - Gratuity benefit plan:

The Group has a Gratuity benefit plan. Every employee who has completed five years or more of service gets a gratuity on the termination of his employment at 15 days salary (last draw salary) for each completed year of service. The scheme is unfunded in all entities except ARRIL where scheme is funded. The present value of obligation in respect of gratuity is determined based on actuarial valuation using the Project Unit Credit Method as prescribed by the Indian Accounting Standard - 19. Gratuity has been recognised in the financial statement as per details given below:

(INR in Million)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Cost charged to statement of profit and loss		
Current service cost	8.86	7.83
Interest cost	2.30	1.61
Sub-total included in statement of profit and loss (Total)	11.16	9.44
Remeasurement losses/(gains) in other comprehensive income		
Actuarial loss/(gain) due to change in financial assumptions	0.58	(1.03)
Actuarial loss/(gain) due to experience	0.87	(0.23)
Sub-total included in other comprehensive income (Total)	1.45	(1.26)
Reconciliation of net defined benefit obligation / plan assets		
Reconciliation of defined benefit obligations as at beginning of the year		
Defined benefit obligations as at beginning of the year	32.24	24.85
Cost charged to statement of profit and loss	11.16	9.44
Remeasurement (gains)/losses in other comprehensive income	1.45	(1.26)
Benefit paid	(0.62)	(0.79)
Defined benefit obligations as at end of the year		
Total (A)	44.23	32.24
Reconciliation of fair value of plan assets		
Plan asset as at beginning of the year	5.93	6.13
Interest Income	0.41	0.38
Return on plan assets excluding amounts included in interest income	(1.05)	(0.30)
Contribution by employer	1.30	-
Benefits paid	(0.33)	(0.28)
Plan asset as at end of the year		
Total (B)	6.26	5.93
Net Defined benefit obligations as at end of the year		
Total (C=A-B)	37.97	26.31
Current	4.85	2.52
Non-current	33.12	23.79

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

	Year Ended March 31, 2019	Year Ended March 31, 2018
Discount rate	7.35%	7.55%
Salary Growth rate	6.00%	6.00%
Withdrawal rate	15% at younger age, reducing to 3% at older ages	15% at younger ages, reducing to 3% at older ages
Mortality rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

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

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

(INR in Million)

Particulars	Sensitivity level	Year Ended March 31, 2019	Year Ended March 31, 2018
Discount rate	0.50% increase	(1.33)	(1.01)
	0.50% decrease	1.25	1.04
Salary Growth Rate	0.50% increase	1.18	1.00
	0.50% decrease	(1.36)	(0.99)
Withdrawal rate	10% increase	(0.21)	(0.22)
	10% decrease	0.08	0.20

C Maturity Profile of the Defined Benefit Obligation:

(INR in Million)

	March 31, 2019
2020	3.95
2021	3.83
2022	4.17
2023	4.34
2024	4.52
2025 - 2029	17.16

	March 31, 2018
2019	2.31
2020	2.65
2021	2.87
2022	3.47
2023	3.52
2024 - 2028	11.49

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

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

D Other employee benefits:

Salaries, wages and bonus include INR 27.31 million (March 31, 2018: INR 17.78 million) towards provision made as per actual basis in respect of accumulated leave encashment / compensated absences, Bonus and leave travel allowance.

39. Revenue from contract with customers

39.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

(INR in Million)

	March 31, 2019	March 31, 2018
Type of service rendered		
Revenue from toll / check post operation services	11,246.09	10,458.97
Revenue from construction services	24,169.09	12,120.96
Total revenue from contracts with customers	35,415.18	22,579.93
Place of service rendered		
India	35,415.18	22,579.93
Total revenue from contracts with customers	35,415.18	22,579.93
Timing of revenue recognition		
Services transferred over time	35,415.18	22,579.93
Total revenue from contracts with customers	35,415.18	22,579.93

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

(c) Transactions with related parties

(INR in Million)

Sr No	Particulars	Holding		Fellow Subsidiary		Key Management Personnel	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1	Unsecured loan taken						
	SEL	5,476.52	1,544.53	-	-	-	-
2	Unsecured loan repaid (including interest)						
	SEL	5,010.83	596.95	-	-	-	-
3	Interest expense						
	SEL	602.65	537.51	-	-	-	-
4	Proceeds from unsecured						
	MBHPL	-	-	-	7.41	-	-
5	EPC Contract, utility shifting and variation service availed						
	SEL	21,365.95	8,720.40	-	-	-	-
6	Interest on mobilization advance / claim						
	SEL	223.01	109.44	-	-	-	-
7	Revenue from construction services (including						
	SEL	345.95	-	-	-	-	-
	MBHPL	-	-	93.41	-	-	-
8	Rent, reimbursement and allocation of expenses						
	SEL	27.15	21.84	-	-	-	-
	MBHPL	-	-	28.67	15.80	-	-
9	Fixed assets sold (including tax)						
	SEL	0.40	3.12	-	-	-	-
10	Director's sitting fees						
	Vasistha Patel	-	-	-	-	0.03	-
	Shashin Patel	-	-	-	-	0.08	0.08
	Nitin Patel	-	-	-	-	0.12	0.12
	Arunkumar Patel	-	-	-	-	0.16	0.13
	Sandip Patel	-	-	-	-	0.08	0.06
	Atul Ruparel	-	-	-	-	0.06	0.03
	Mirat Bhadlawala	-	-	-	-	0.06	0.06
	Daksha Shah	-	-	-	-	0.13	0.08
11	Remuneration						
	Vasistha Patel	-	-	-	-	3.00	3.00
	Varun Mehta	-	-	-	-	4.01	3.57
	Hardik Modi	-	-	-	-	1.02	0.68

(d) Balances of related parties at the year

(INR in Million)

Sr No	Particulars	Holding		Fellow Subsidiary		Key Management Personnel	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1	Mobilisation paid against contract						
	SEL	3,001.62	3,424.80	-	-	-	-
2	Interest receivable from SEL against mobilisation advance						
	SEL	304.24	95.82	-	-	-	-
3	Interest payable						
	SEL	542.38	572.81	-	-	-	-
4	Trade payable (including capital payables and retention money)						
	SEL	6,767.92	3,799.63	-	-	-	-
5	Trade receivable (including retention money)						
	SEL	275.31	-	-	-	-	-
	MBHPL	-	-	36.65	-	-	-

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

6	Unsecured loan taken						
	SEL	6,343.73	5,305.22	-	-	-	-
7	Interest free unsecured loan (Equity and liability components less finance cost recognised till date reporting date)						
	SEL	779.56	779.56	-	-	-	-
8	Receivable towards sale of assets						
	SEL	-	3.12	-	-	-	-
9	Remuneration payable						
	Vasistha Patel	-	-	-	-	0.18	0.20
	Varun Mehta	-	-	-	-	0.49	0.27
	Hardik Modi	-	-	-	-	0.05	0.05

Notes:

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except short term loan and settlement occurs in cash as per the terms of the agreement.
- The listed non convertible debentures of INR 8,920.00 million (31 March 2018: INR 7,724.32 million) way of corporate guarantee by Sadbhav Engineering Limited (SEL), the Holding Company. Further, Sadbhav Engineering Limited has pledged 16% of its shareholding in the Company to the lenders toward borrowings availed by the Company.
- The Remuneration disclosed above given to key managerial personnel is mainly related to short term employee benefits and does not includes post employee benefits as the same is not determinable.

41. Contingent liabilities and commitments

(a) Contingent liabilities

(INR in Million)

	Year Ended March 31, 2019	Year Ended March 31, 2018
Service Tax:		
Demand from authorities for recovery of CENVAT credit (refer note (i) below)	43.48	43.48
VAT:		
Demand from authorities for recovery of Sales tax (refer note (ii) below)	24.76	24.76
Income Tax:		
Income tax demand pertaining to various subsidiaries (refer note (iii) below)	31.26	31.26
	99.50	99.50

- Towards service tax demand from authorities for recovery of CENVAT credit on input service availed during the financial years 2009-10 and 2010-11. In respect of said matter, the Group has preferred appeal with Tribunal and received stay order from tribunal for recoveries of demands against deposited INR 2.50 million, which is included under 'Deposits' in Note 14. The matter is pending with Tribunal as at reporting date.
- Toward demand raised from authorities for the year 2009-10 to 2013-14. In respect of said matter, the Group has preferred appeal with Joint Commissioner of Sales tax (Appeal) and deposited INR 1.00 million under protest. The matter is pending with the said authorities as at the reporting date.
- The income tax demands are pertaining to various subsidiary entities on account of disallowance in computation of income claimed by the entities under the Income tax Act, 1961. The entities are contesting the demands and the management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

(b) Commitments

The followings are the estimated amount of contractual commitments of the Group:

(INR in Million)

	March 31, 2019	March 31, 2018
(i) Sub-contract commitments	332.44	351.63
(ii) Capital commitment (net of capital advances)	40,198.83	47,795.24
(iii) The BOT/HAM projects of the group have been funded through various credit facility agreements with banks. Against the said facilities availed by the subsidiary companies from the lender, the Group has executed agreements with respective lenders whereby the Group has committed to hold minimum shareholding and pledge of its holding in the respective subsidiary company, details of which is as follows:		

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

Name of Subsidiary	% of Non Disposal Undertaking		% of Shares to Pledge as at	
	Upto Commercial Operation Date	After Commercial Operation Date	March 31, 2019	March 31, 2018
Ahmedabad Ring Road Infrastructure Limited	70.00%	45.00%*	30.00%	30.00%
Aurangabad Jalna Tollway Limited	21.00%	21.00%	30.00%	30.00%
Bhilwara-Rajsamand Tollway Private Limited	51.00%	51.00%	30.00%	51.00%
Bijapur Hungund Tollway Private Limited	51.00%	51.00%	66.23%	66.23%
Hyderabad Yadgiri Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Maharashtra Border Check Post Network Limited	70.00%	51.00%	30.11%	29.57%
Shreenathji-Udaipur Tollway Private Limited	51.00%	51.00%	30.00%	30.00%
Nagpur Seoni Expressway Limited	30.00%	30.00%	99.00%	99.00%
Rohtak-Hissar Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Rohtak Panipat Tollway Private Limited	51.00%	51.00%	51.00%	51.00%
Dhule Palenser Tollway Limited	51.00%	33.00%	33.00%	33.00%
Sadbhav Una Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Udaipur Highway Private Limited	51.00%	51.00%	31.66%	30.00%
Sadbhav Bangalore Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Vidarbha Highway Private Limited	51.00%	51.00%	49.00%	30.00%
Sadbhav Bhavnagar Highway Private Limited	51.00%	51.00%	51.00%	51.00%
Sadbhav Rudrapur Highway Private Limited	51.00%	25.00%	51.00%	51.00%
Sadbhav Jodhpur Ring Road Private Limited	51.00%	21.00%	51.00%	0.00%
Sadbhav Nainital Highway Private Limited	51.00%	25.00%	51.00%	51.00%
Sadbhav Tumkur Highway Private Limited	-	-	-	-
Sadbhav Vizag Port Road Private Limited	-	-	-	-
Sadbhav Hybrid Annuity Projects Limited	-	-	51.00%	-
Sadbhav Kim Expressway Private Limited	-	-	-	-
Sadbhav Bhimasar Bhuj Highway Private Limited	-	-	51.00%	-

* In case of ARRIL the undertaking for non disposal of shares shall be reduced to 21% on repayment of 80% of the total Loan given by lenders.

- (iv) The Group has agreed to acquire 74% equity shareholding of Mysore-Bellary Highway Private Limited (MBHPL) from Sadbhav Engineering Limited (SEL) as per agreement dated November 3, 2014, subject to regulatory approvals.

(C) Provident Fund liability

There are numerous interpretative issues relating to the Supreme Court (SC) judgment on PF dated 28th February, 2019. As a matter of caution, the Group has decided to assess the impact on a prospective basis from the date of the SC order. The impact on account of this is not material. The Group will update its provision, on receiving further clarity on the subject.

42. Disclosure related to Periodic Major Maintenance provisions

Provision for major maintenance in respect of toll roads maintained by the Group under service concession arrangements and classified as intangible assets represents contractual obligations to restore an infrastructure facility to a specified level of serviceability in respect of such asset. Estimate of the provision is measured using a number of factors, such as contractual requirements, road usage, expert opinions and expected price levels. Because actual cash flows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take place many years in future, the carrying amounts of provision is reviewed at regular intervals and adjusted to take account of such changes. Below is the movement in provision for the year:

(INR in Million)	
Particulars	March 31, 2019
Carrying amount as at April 1, 2018	3,210.26
Add: Additional provision made during the year	971.88
Add: Increase during the year in the discounted amount due to passage of time	233.58
Less: Amounts used (i.e. incurred and charged against the provision) during the year	152.91
Carrying amount as at March 31, 2019	4,262.81
Current	2,126.24
Non-current	2,136.57
Total	4,262.81
Year of expected cash outflow	2019-2025

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

43. Segment Reporting

The operating segment of the group is identified to be "Build Operat and Transfer (BOT)/ Annuity Projects (including hybrid annuity) and its related activities", as the Chief Operating Decision Makers (CODM) reviews business performance at an overall group level as one segment and hence, no additional disclosures are required to be made under Ind AS 108 "Operating Segments". Further, the Company also primarily operates under one geographical segment namely India. There are no single customer which contribute morethan 10% of total revenue of the group.

44. Operating Lease

The Group has taken office spaces on operating leases on short term basis i.e. within 1 year. There are no sub-leases and the leases is cancellable at any point of time by either parties. There are no restrictions imposed under the lease arrangements. There is neither any contingent rent nor any escalation clause in the lease agreements. During the year, the Group has incurred INR 25.52 million (March 31, 2018: INR 18.30 million) towards rent for the office spaces.

45. Financial risk management objective and policies:

"The Group's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations as well as development and maintenance of SPVs project. The Group's principal financial assets include Investments, trade receivables, other receivables including those under service concession, loans and cash and bank balances. The Group's business activities are exposed to variety of financial risks, namely market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management systems are reviewed periodically to reflect changes in market conditions and the Group's activities. The Board of Directors oversee compliance with the Group'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, trade and other receivables, loans, trade and other payables and derivative financial instruments.

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

- a parallel shift of 25-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%.

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

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

"The following assumption has been made in calculating the sensitivity analyses:- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at March 31, 2019 and March 31, 2018."

(i) Interest rate risk

"Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Interest risk arises to the group mainly from non - current borrowings with variable rates. The Group maintains its borrowings at fixed rate using interest rate swaps to achieve this if necessary. The group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. The group measures risk through sensitivity analysis."

The banks now finance at variable rate only, which is the inherent business risk.

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

Interest rate sensitivity

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

	(INR in Million)	
	Effect on loss before tax	
	March 31, 2019	March 31, 2018
Increase in 25 basis point	(173.66)	(174.82)
Decrease in 25 basis point	173.66	174.82

The effect of interest rate changes on future cash flows is excluded from this analysis.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group has obtained foreign currency loans and is, therefore, exposed to foreign exchange risk. The Group may use foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities depending upon the primary host contract requirements and risk management strategy of the group.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Group given in Note no. 46

Foreign currency sensitivity

As per the Group's policy, exchange rate differences of long-term foreign currency loans which are related to acquisition of depreciable fixed assets have been added to or deducted from the cost of the assets and depreciated over the balance life of the assets. Accordingly, the change in USD rate is not impacted directly on loss before tax and pre-tax equity for the year ending March 31, 2019 and March 31, 2018 and accordingly sensitivity analysis of change in USD rate has not been presented. Foreign currency loan was refinanced during the year.

(b) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk related to operating activities (primarily receivables from authorities and other financial assets), financing activities including temporary Investment in mutual fund and other financial instruments. The management of the group believes that the credit risk related to receivable from authorities are negligible as the same is receivable from the government authorities.

The group has significant credit exposure related to receivable from authorities which as mentioned below:

1. National Highway Authority of India - INR 27,115.51 million (March 31, 2018: INR 13,178.68 million).
2. State Government Authorities - INR 345.82 million (March 31, 2018: INR 242.83 million).

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only in accordance with group policy. The Group monitors the ratings, credit spreads and financial strength of its counter parties. Based on its on-going assessment of counter party risk, the group adjusts its exposure to various counter parties. The Group's maximum exposure to credit risk from balance with bank and financial institutions as well as temporary investment in mutual fund as of March 31, 2019 is INR 1,827.56 million and March 31, 2018 is INR 1,030.96 million.

(c) Liquidity risk

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

The Group measures the risk by forecasting cash flows.

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

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

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

(INR In Million)

Particular	Total Amount	On Demand	upto 1 year	1 - 2 years	2 - 5 years	> 5 years
As at March 31, 2019						
Non-current borrowings#	92,400.94	-	4,089.03	5,912.94	21,381.39	61,017.58
Loans repayable on demand	6,443.73	6,443.73	-	-	-	-
Trade payables	7,158.21	-	7,158.21	-	-	-
Other financial liabilities*	18,171.80	-	3,305.54	806.13	1,525.58	12,534.56
Total	1,24,174.68	6,443.73	14,552.78	6,719.07	22,906.97	73,552.13
As at March 31, 2018						
Non-current borrowings#	81,796.96	-	3,123.91	8,181.48	14,834.25	55,657.31
Loans repayable on demand	5,693.92	5,693.92	-	-	-	-
Trade payables	3,434.34	-	3,434.34	-	-	-
Other financial liabilities*	28,287.35	-	4,501.59	767.59	1,819.46	21,198.71
Total	119,212.57	5,693.92	11,059.84	8,949.07	16,653.71	76,856.02

Current maturities of non-current borrowings is included and unamortised transaction cost paid to lenders on upfront basis is excluded.

* Other financial liabilities includes liability on premium obligation which is considered above on undiscounted basis.

46. Derivative instruments

Derivative outstanding as at the reporting date

(INR In Million)

Nature of instrument	As at March 31, 2019	As at March 31, 2018
Swap contract - Interest swap		
Notional amount of USD millions	-	3.64
Notional amount of INR millions	-	236.87
Option contracts to buy		
Notional amount of USD millions	-	41.23
Notional amount of INR millions	-	329.84

The Group had entered into Option contract over the borrowing terms for hedging foreign currency exchange risk against external commercial borrowings. The group had also entered into Swap contract to hedge interest rate fluctuation over a borrowing terms. During the year, the group has refinanced its foreign currency loan and accordingly they had closed the above derivative instruments.

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

47. Capital Management

For the purpose of the Group's capital management, capital consist of share capital, securities premium, other equity and all other reserves attributable to the equity holders of the Group.

The primary objective of the Group'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 Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares. The Group monitors capital using debt equity ratio.

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

(INR In Million)

	As at March 31, 2019	As at March 31, 2018
Non-current borrowings* (refer note 18)	92,086.53	81,499.84
Current borrowings (refer note 19)	6,443.73	5,693.92
Total Debts - A	98,530.26	87,193.76
Equity share capital (refer note 16)	3,522.25	3,522.25
Other equity (refer note 17)	(9,008.19)	(6,179.98)
Add: Retained earnings (refer note 17)	20,009.41	16,623.01
Total Equity - B	14,523.47	13,965.29
Debt equity ratio (A/B)	6.78	6.24

*Non-current borrowings includes current maturities of non-current borrowings which has been classified under other current financial liabilities and the effect of transaction cost paid to lenders on upfront basis.

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

48. Disclosure pursuant to Appendix - A to Ind AS 115- " Service Concession Arrangements" ('SCA')

(A) Disclosures with regard to toll collection rights (intangible assets)

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable	Remaining amortisation period as at the reporting date (in years)
1	Ahmedabad Ring Road Infrastructure Limited	December 28, 2006	December 27, 2026	20 years	June 30, 2008	8.76 years
2	Aurangabad Jalna Tollway Limited	February 01, 2007	July 31, 2030	23 years and 6 months	July 24, 2009	11.34 years
3	Bhilwara Rajsamand Tollway Private Limited	October 9, 2013	October 8, 2043	30 years	June 4, 2016	25.54 years
4	Bijapur Hungund Tollway Private Limited	September 05, 2010	September 04, 2030	20 years	June 20, 2012	11.43 years
5	Hyderabad Yadgiri Tollway Private Limited	July 30, 2010	July 29, 2033	23 Years	December 10, 2012	14.34 years
6	Maharashtra Border Check Post Network Limited	March 30, 2009	September 29, 2033	24 years and 6 months	November 16, 2011	14.51 years
7	Rohtak Hissar Tollway Private Limited	December 26, 2013	December 26, 2035	22 years	July 29, 2016	15.74 years
8	Rohtak Panipat Tollway Private Limited	April 18, 2011	April 17, 2036	25 years	January 6, 2014	17.06 years
9	Shreenathji Udaipur Tollway Private Limited	April 18, 2013	April 17, 2040	27 years	December 4, 2015	21.6 years
10	Dhule Palesner Tollway Limited	December 21, 2009	December 20, 2027	18 years	January 23, 2012	8.73 years

Notes:

- (i) The above BOT/DBFOT projects shall have following rights/obligations in accordance with the Concession Agreement entered into with the respective Government Authorities:
 - a. Rights to use the Specified assets.
 - b. Obligations to provide or rights to expect provision of services.
 - c. Obligations to deliver or rights to receive at the end of the Concession.
- (ii) The actual concession period may vary based on terms of concession agreement.

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

(B) Disclosures with regard to Annuity project/Hybrid annuity model ('HAM') project

The following are annuity based service concession arrangements of the Group which have been classified as financial assets under "Receivables against service concession arrangements":

Sr. No.	Name of Concessionaire	Start of concession period under concession agreement (Appointed date)	End of concession period under concession agreement	Period of concession since the appointed date	Construction completion date or scheduled construction completion date under the concession agreement, as applicable
1	Nagpur Seoni Expressway Limited	November 26, 2007	November 25, 2027	20 years	May 25, 2010
2	Sadbhav Una Highway Private Limited	February 09, 2017	August 07, 2034	15 years from COD	August 06, 2019
3	Sadbhav Bhavnagar Highway Private Limited	February 07, 2017	August 05, 2034	15 years from COD	August 06, 2019
4	Sadbhav Rudrapur Highway Private Limited	March 31, 2017	March 31, 2034	15 years from COD	March 31, 2019 (Extension of time had been applied for)
5	Sadbhav Nainital Highway Private Limited	October 28, 2017	October 28, 2034	15 years from COD	October 28, 2019
6	Sadbhav Bangalore Highway Private Limited	August 21, 2017	August 21, 2034	15 years from COD	August 20, 2019
7	Sadbhav Udaipur Highway Private Limited	November 30, 2017	November 30, 2034	15 years from COD	November 30, 2019
8	Sadbhav Vidarbha Highway Private Limited	May 21, 2018	November 15, 2035	15 years from COD	November 15, 2020
9	Sadbhav Jodhpur Ring Road Private Limited	December 14, 2018	December 12, 2035	15 years from COD	December 12, 2020
10	Sadbhav Tumkur Highway Private Limited	Appointed date awaited	Appointed date awaited	15 years from COD	Appointed date awaited
11	Sadbhav Bhimasar Bhuj Highway Private Limited	Appointed date awaited		15 years from COD	Appointed date awaited
12	Sadbhav Kim Highway Private Limited	Appointed date awaited		15 years from COD	Appointed date awaited
13	Sadbhav Vizag Expressway Private Limited	Appointed date awaited		15 years from COD	Appointed date awaited

Notes:

In HAM projects, revenue is received/receivable as under:

- (i) 40% of the total bid project cost with adjustment relating to Price Index Multiple, shall be due and payable to the company in 5 equal installments during the construction period in accordance with the provisions of the SCA.
- (ii) The remaining bid project cost, with adjustment relating to 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 the SCA.
- (iii) Interest shall be due and receivable 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 receivable biannually along with each installment specified in of SCA.

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

49. In terms of the Concession Agreement for setting up the project for Modernization and Computerisation of integrated Border Check Post ('Project') in the state of Maharashtra on Build, Operate and Transfer basis, Maharashtra Border Check Post Network Limited ('MBCPNL'), a subsidiary entity, has been regularly representing in the Steering Committee of the project set up by Maharashtra State Road Development Corporation (MSRDC) under Concession agreement, about handover of the additional project BCP sites so as to meet Concessionaire obligations as regards implementation of project as per the Concession agreement. As at 31st March, 2019, the company has achieved provisional certificate of completion for 21 check posts out of total 22 check posts as per Concession agreement. The collection of user fees have been started in 18 BCP as per directive of MSRDC. Further, MBCPNL has also received general resolution from government of Maharashtra for construction of additional 2 Check post on BOT basis.

As at 31st March, 2019, the project implementation is in progress and there are costs variance in development of each BCP site. MBCPNL has been accounting cost variations, if any based on the approval of independent engineers appointed by MSRDC read with note 50 below. The Management has been regularly representing to MSRDC for the time extension of completion of BCP construction in terms of Concession agreement. The Management is confident that necessary approvals relating to time extension for completion of BCP construction will be received and that no additional financial obligations is envisaged to be levied on the MBCPNL under the terms of concession agreement.

50. Maharashtra Border Check Post Network Limited ('MBCPNL') one of the subsidiary, has accepted and accounted certain project related costs variation towards increased cost of construction due to delay in execution of the Modernization and Computerisation of 22 Border Check Post Project ('BCP Project'). Such cost variations incurred due to various reasons not attributable to MBCPNL, in terms of service concession agreement, up to March 31, 2019 is INR 2,228.84 Million (March 31, 2018 INR 2,212.30 Million). The costs has been accounted as intangible asset / intangible assets under development. Further, such cost variations is required to be approved by Government of Maharashtra (GoM) although the Independent Engineer of the Project, Technical Evaluation Committee duly appointed by Project Steering Committee of Maharashtra State Road Development Corporation Limited ('the Project Authority') which is monitoring the project progress and the lender's independent engineer have in-principle accepted and recommended MBCPNL's cost variation claim. Based on the recommendations at the project steering committee, GoM (Grantor) will conclude in regard to cost variation claim of the MBCPNL although MBCPNL is confident that the additional costs accounted in the books will be fully accepted by the GoM.
51. The Group has accumulated losses of INR 20,009.41 Million as at March 31, 2019 (INR 16,623.01 Million as at March 31, 2018), which resulted in erosion of the Group's net worth mainly because of accumulated losses of following operational subsidiaries as those subsidiaries are in early stage of their operations. These operational subsidiaries where networth is negative are expected to achieve adequate profitability as per the future traffic projections by way of increase in traffic and reduction in finance costs through repayment/refinancing of loan during their respective project tenure. Also, some of these operational subsidiaries have received favorable arbitration claims or are in a process of lodging claims as per terms and conditions applicable as per the concession agreement and have been able to meet/will continue to meet their financial obligations in the ordinary course of the business, complimented by the continuing unconditional financial support offered to the Group from the holding company i.e. Sadbhav Engineering Limited (SEL). Accordingly, these consolidated financial statement have been prepared assuming that the group will continue as going concern.

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

52. Additional information of net assets and share in profit or loss contributed by various entities as recognised under Schedule III of the Companies Act, 2013.

As on March 31, 2019

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount INR In Million	As % of consolidated profit / (loss)	Amount INR In Million	As % of consolidated OCI	Amount INR In Million	As % of consolidated TCI	Amount INR In Million
Parent Company								
SIPL	-295.88%	16,286.95	14.86%	(368.21)	-25.18%	0.37	14.83%	(367.84)
Subsidiary Companies								
Indian								
ARRIL	-4.96%	273.24	-4.04%	100.13	112.69%	(1.64)	-3.97%	98.49
BHTPL	26.53%	(1,460.20)	3.50%	(86.79)	3.18%	(0.05)	3.50%	(86.83)
AJTL	5.46%	(300.44)	-2.77%	68.59	16.12%	(0.23)	-2.76%	68.35
MBCPNL	17.04%	(937.69)	-15.75%	390.42	19.27%	(0.28)	-15.73%	390.14
NSWEL	13.15%	(723.59)	-24.43%	605.49	0.00%	-	-24.41%	605.49
HYTPL	28.71%	(1,580.49)	3.79%	(93.96)	-10.32%	0.15	3.78%	(93.81)
RPTPL	143.35%	(7,890.69)	64.03%	(1,587.06)	-18.58%	0.27	63.98%	(1,586.79)
SUTPL	34.94%	(1,923.54)	15.14%	(375.25)	-4.82%	0.07	15.13%	(375.18)
BRTPL	4.11%	(226.30)	-0.79%	19.64	-3.67%	0.05	-0.79%	19.69
RHTP	51.19%	(2,817.54)	40.30%	(998.89)	-6.75%	0.10	40.27%	(998.79)
DPTL	77.54%	(4,268.13)	2.68%	(66.46)	17.11%	(0.25)	2.69%	(66.71)
SBHPL	0.38%	(21.09)	1.78%	(44.17)	0.00%	-	1.78%	(44.17)
SUHPL	0.22%	(12.00)	1.91%	(47.41)	0.00%	-	1.91%	(47.41)
SRHPL	0.53%	(28.94)	1.78%	(44.23)	0.00%	-	1.78%	(44.23)
SNHPL	-1.36%	75.12	-1.82%	45.12	0.00%	-	-1.82%	45.12
SBGHPL	-0.83%	45.91	-1.58%	39.25	0.00%	-	-1.58%	39.25
SUDHPL	-0.45%	24.82	-0.55%	13.58	0.00%	-	-0.55%	13.58
SVHPL	-0.93%	51.05	-1.18%	29.26	0.00%	-	-1.18%	29.26
SJRRPL	0.01%	(0.49)	0.02%	(0.46)	0.00%	-	0.02%	(0.46)
STHPL	0.02%	(1.17)	0.05%	(1.17)	0.00%	-	0.05%	(1.17)
SKEPL	0.00%	-	0.00%	-	0.00%	-	0.00%	-
SBBHPL	0.05%	(2.67)	0.11%	(2.67)	0.00%	-	0.11%	(2.67)
SVPRPL	0.03%	(1.47)	0.06%	(1.47)	0.00%	-	0.06%	(1.47)
SHAPL	0.85%	(46.61)	1.86%	(46.00)	0.00%	-	1.85%	(46.00)
Minority interest in all subsidiaries	0.34%	(18.55)	1.05%	(25.92)	0.95%	(0.01)	1.05%	(25.94)
Total	100.00%	(5,504.49)	100.00%	(2,478.65)	100.00%	(1.45)	100.00%	(2,480.10)

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

As on March 31, 2018

Name of the entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit / (loss)		Share in Other Comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount INR In Million	As % of consolidated profit / (loss)	Amount INR In Million	As % of consolidated OCI	Amount INR In Million	As % of consolidated TCI	Amount INR In Million
Parent Company								
SIPL	-633.34%	16,160.30	16.16%	(546.01)	-0.74%	(0.01)	16.16%	(546.02)
Subsidiary Companies								
Indian								
ARRIL	-7.67%	195.70	-4.12%	139.10	103.60%	1.30	-4.16%	140.40
BHTPL	53.82%	(1,373.32)	8.97%	(303.03)	-24.14%	(0.30)	8.98%	(303.34)
AJTL	13.74%	(350.67)	-2.30%	77.64	13.45%	0.17	-2.30%	77.81
MBCPNL	51.83%	(1,322.44)	-2.47%	83.40	-15.22%	(0.19)	-2.46%	83.21
NSWEL	47.27%	(1,206.18)	-0.07%	2.33	0.00%	-	-0.07%	2.33
HYTPL	56.68%	(1,446.17)	5.81%	(196.33)	2.54%	0.03	5.81%	(196.30)
RPTPL	236.33%	(6,030.30)	37.33%	(1,261.76)	8.37%	0.11	37.34%	(1,261.66)
SUTPL	57.92%	(1,477.92)	15.91%	(537.73)	11.55%	0.15	15.91%	(537.58)
BRTPL	8.03%	(204.97)	2.03%	(68.51)	5.64%	0.07	2.03%	(68.44)
RHTP	64.70%	(1,650.79)	29.22%	(987.63)	12.69%	0.16	29.23%	(987.47)
DPTL	160.81%	(4,103.21)	-2.32%	78.36	-9.01%	(0.11)	-2.32%	78.25
SBHPL	-0.91%	23.12	-0.69%	23.24	0.00%	-	-0.69%	23.24
SUHPL	-1.40%	35.79	-1.06%	35.85	0.00%	-	-1.06%	35.85
SRHPL	-0.65%	16.49	-0.50%	16.87	0.00%	-	-0.50%	16.87
SNHPL	-1.31%	33.31	-1.05%	35.65	0.00%	-	-1.06%	35.65
SBGHPL	-0.32%	8.11	-0.24%	8.27	0.00%	-	-0.24%	8.27
SUDHPL	-0.47%	12.06	-2.56%	86.58	0.00%	-	-2.56%	86.58
SVHPL	-0.92%	23.37	-0.69%	23.37	0.00%	-	-0.69%	23.37
SJRRPL	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Minority interest in all subsidiaries	-4.16%	106.14	2.64%	(89.36)	-8.72%	(0.11)	2.65%	(89.47)
Total	100.00%	(2,551.59)	100.00%	(3,379.73)	100.00%	1.26	100.00%	(3,378.47)

53. Details of Corporate Social Responsibility (CSR) Expenditure

As per Section 135 of the Companies Act, 2013, a corporate social responsibility ('CSR') committee has been formed by the Group. The expenditure incurred by the Group on CSR activities during the year has been stated below:

	As at March 31, 2019	As at March 31, 2018
(a) Gross amount required to be spent by the company during the year		
- CSR obligation for current financial year	8.16	-
- Unspent amount of CSR obligation of previous financial year	-	-
- Total CSR obligation	8.16	-
(b) Amount spent during the year:		
(i) On purposes other than construction / acquisition of any assets - already paid:	-	-
(ii) On purposes other than construction / acquisition of any assets - to be paid:	-	-

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

54. Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt this standards, if applicable, when they become effective.

Ind AS 116, Leases:

"Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Transition to Ind AS 116As the group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact on its Consolidated financial statements."

55. (a) During the year, Nagpur Seoni Expressway Limited (NSEL), a subsidiary company, has received favourable arbitration award dated October 05, 2018 and has received in full, claim amounting to INR 687.52 million from National Highway Authority of India, which is recognised as income and is disclosed as exceptional item in the consolidated statement of profit and loss.

(b) During the year, the company entered into settlement agreement dated October 20, 2018 with the minority shareholders of Bijapur Hungud Tollway Private Limited ('BHTPL') whereby the company has paid INR 152.95 million towards settlement of dispute. The said amount has been disclosed as exceptional item in the consolidated statement of profit and loss.

56. Events after the reporting period

The Board of Directors of the Company in their meeting held on May 27, 2019 have recommended a final dividend @ 30% i.e. INR 0.30 per equity share of INR 10/- each fully paid up for the year ended March 31, 2019 subject to approval of the members at the ensuing general meeting.

57. Previous year comparatives

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Reg. No.: 324982E/E300003

per Sukrut Mehta
Partner
Membership No.: 101974

Date: May 27, 2019
Place: Ahmedabad

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

per Devansh Gandhi
Partner
Membership No.: 129255

Date: May 27, 2019
Place: Ahmedabad

For and on behalf of Board of Directors
Sadbhav Infrastructure Project Limited

Vasistha Patel
Managing Director
DIN : 00048324

Hardik Modi
Company Secretary
Membership No.: F9193

Date: May 27, 2019
Place: Ahmedabad

Shashin Patel
Director
DIN: 00048328

Varun Mehta
Chief Financial Officer



SADBHAV INFRASTRUCTURE PROJECT LIMITED

CIN: L45202GJ2007PLC049808

Registered Office: "Sadbhav House", Opp. Law Garden Police Chowki, Ellisbridge,
Ahmedabad - 380006, Gujarat • Tel.: +91 79 26463384 • Fax: +91 79 26400210
E-mail: investor@sadbhavinfra.co.in • Web: www.sadbhavinfra.co.in

ATTENDANCE SLIP

DP ID		Folio No.	
Client ID		No. of Shares	

Name and address of Shareholder/Proxy

I hereby record my presence at the 13th Annual General Meeting of the Company held on Wednesday, 25th September, 2019 at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006, Gujarat at 11.00 A.M.

Signature of Shareholder/Proxy

(Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand over at the entrance of the Meeting Hall)



SADBHAV INFRASTRUCTURE PROJECT LIMITED

CIN: L45202GJ2007PLC049808

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E-mail: investor@sadbhavinfra.co.in • Web: www.sadbhavinfra.co.in

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the member (s):			
Registered address:			
E-mail id:			
Folio No/ Client Id:		DP ID:	

I/We, being the member(s) of _____ share of the Sadbhav Infrastructure Project Limited, hereby appoint;

- 1) _____ of _____ having email id _____ or failing him/her
- 2) _____ of _____ having email id _____ or failing him/her
- 3) _____ of _____ having email id _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company, to be held on Wednesday, 25th September, 2019 at 11.00 a.m. at Lions Hall, Near Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380006, Gujarat and at any adjournment thereof in respect of such resolution as are indicated below:

ORDINARY BUSINESS

1. Consider and adopt:
 - (a) Audited Financial Statements, Report of the Board of Directors and Auditors and
 - (b) Audited Consolidated Financial Statements
2. To Confirm the payment of Interim Dividends on Equity Shares and to declare a Final Dividend on Equity Shares for the financial year 2018-19. (Ordinary Resolution)
3. Re-Appointment of Mr. Nitin R. Patel (DIN: 00466330) who retires by rotation. (Ordinary Resolution)
4. To re-appoint Joint Statutory Auditors of the Company and fix their remuneration. (Ordinary Resolution)

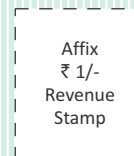
P.T.O.



SPECIAL BUSINESS

5. Ratification of Remuneration of Cost Auditor. (Ordinary Resolution)
6. Issue of Secured/Unsecured Non-Convertible Debentures and/or other Debt Securities on private placement basis. (Special Resolution)
7. Re-appointment of Mr. Sandip Patel (DIN: 00449028) as an Independent Director of the Company. (Special Resolution)
8. Re-appointment of Mr. Atul Ruparel (DIN: 00485470) as an Independent Director of the Company. (Special Resolution)
9. Re-appointment of Mr. Arun Patel (DIN: 06365699) as an Independent Director of the Company. (Special Resolution)
10. Re-appointment of Mr. Mirat Bhadlawala (DIN: 01027984) as an Independent Director of the Company. (Special Resolution)
11. Re-appointment of Mrs. Daksha Shah (DIN: 00376899) as an Independent Director of the Company. (Special Resolution)

Signed this _____ day of _____ 2019



Signature of shareholder

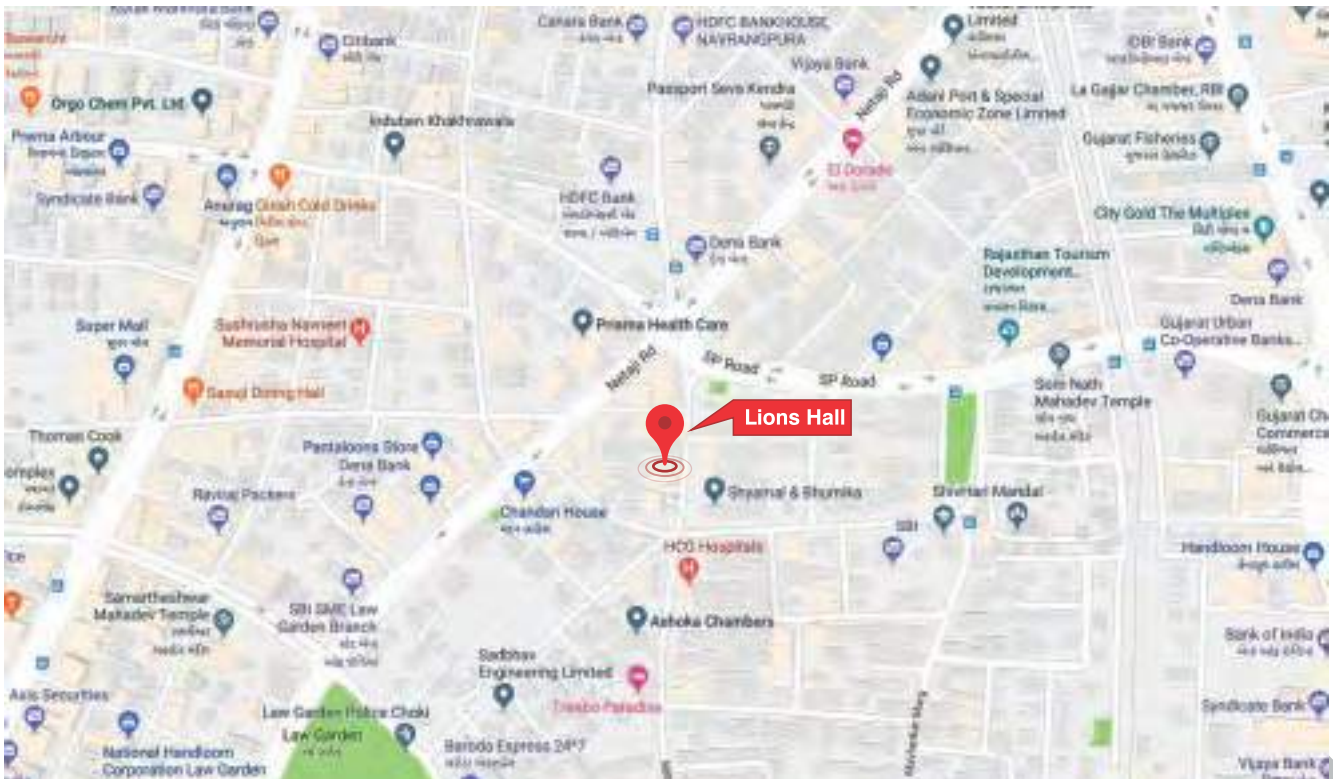
Signature of 1st proxy holder

Signature of 2nd proxy holder

Signature of 3rd proxy holder

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A Person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the share capital of the Company carrying rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (4) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (5) In the case of joint holders, the signature of any one holder will be sufficient, but names of all The joint holders should be stated.



Disclaimer
 This Annual Report contains forward-looking information to enable investors to comprehend company's prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We can not guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties, and even less than accurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





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